

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 K
 Mr. Cheung
 Mr. Ho S
 (於二零零七年一月十一日獲委任)
 Mr. Cheung L, S h
 (於二零零七年一月十一日獲委任)
 Mr. Mo Ch m Hu , Ch

Independent Non-Executive Directors

Mr. Cheung M Fu , P u
 Mr. Cheung Ch , Ch r s h r
 (於二零零七年一月十一日獲委任)
 Mr. Tang K m Hu
 Mr. Ho r T

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Leung L

PRINCIPAL BANKERS

Bank of America, N.A.
 Bank of Communications, Ltd., Hong Kong Branch
 Citicorp, B
 Citicorp, N.A.
 DBS Bank, Ltd., Hong Kong Branch
 The Hongkong and Shanghai Banking Corporation, Ltd.
 Standard Chartered Bank (Hong Kong) Ltd.

AUDITOR

Deloitte Touche Tohmatsu
 Chartered Accountants

董事會

執行董事

張國榮先生(主席)
 陳永鋐先生(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
 (於二零零七年七月十日獲委任)

KR

Kingboard



Kingboard

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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，有賴全體員工不懈之努力，克服最嚴峻挑戰的經營環境。集團在年一應付各項挑戰，並繼續維持增長。

回顧二零零七年，本集團在多個業務領域均取得可觀增長。全年營業額增加百分之二十，達港幣二億六千八百七十七萬元，較二零零六年（即截至二零零六年十二月三十一日止）增加百分之二十。純利亦增加百分之二十，達港幣一千九百九十九萬元，較二零零六年（即截至二零零六年十二月三十一日止）增加百分之二十。

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業務回顧

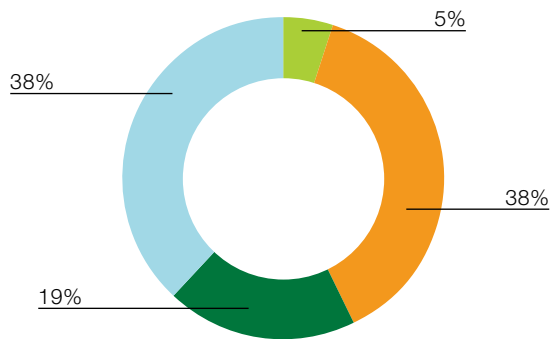
本人欣然公佈，建滔化工集團（「集團」）於截至二零零七年十二月三十一日止財政年度，再次錄得破紀錄之全年業績，營業額及純利均創新高。集團能取得此豐碩成果，有賴全體員工不懈之努力，克服最嚴峻挑戰的經營環境。集團在年一應付各項挑戰，並繼續維持增長。

Chairman's Statement 主席報告

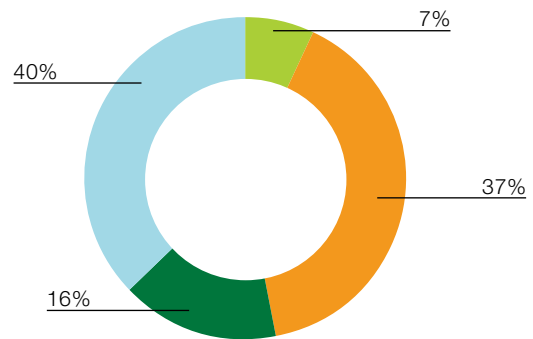
FINANCIAL HIGHLIGHTS

Revenue increased by 19% in
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

The Group's performance in 2007 was satisfactory. Revenue increased by 25% to HK\$10,276.2 million. Earnings before interest and taxes (EBIT) increased by 18% to HK\$2,126.8 million. The Group's operating profit increased by 13% to HK\$1,838.3 million. Return on equity increased by 0.5 percentage points to 13.8%. The Group's cash and cash equivalents increased by 10% to HK\$1,234.5 million.

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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 s h e h r .

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E & E T h s r r h e s
依利安達及科惠積極參與展覽會。



Chairman's Statement 主席報告

Our Chairman's Statement
 位於重慶之天然氣甲醇廠為集團帶來另一增長動力。

The Group's revenue increased by 35% in 2007, reaching HK\$5,425.7 million, compared with HK\$4,018.1 million in 2006. The Group's EBITDA increased by 92% to HK\$658.1 million in 2007, compared with HK\$342.8 million in 2006. The Group's EBIT increased by 102% to HK\$488.1 million in 2007, compared with HK\$241.6 million in 2006. The Group's net profit increased by 102% to HK\$348.1 million in 2007, compared with HK\$172.1 million in 2006. The Group's operating profit increased by 102% to HK\$488.1 million in 2007, compared with HK\$241.6 million in 2006. The Group's cash and cash equivalents increased by 102% to HK\$1,234.1 million in 2007, compared with HK\$611.1 million in 2006. The Group's capital expenditure was HK\$123.1 million in 2007, compared with HK\$112.1 million in 2006. The Group's dividend was HK\$12.1 million in 2007, compared with HK\$11.1 million in 2006. The Group's employees were 1,234 in 2007, compared with 1,123 in 2006. The Group's turnover was HK\$5,425.7 million in 2007, compared with HK\$4,018.1 million in 2006. The Group's operating profit was HK\$488.1 million in 2007, compared with HK\$241.6 million in 2006. The Group's net profit was HK\$348.1 million in 2007, compared with HK\$172.1 million in 2006. The Group's cash and cash equivalents were HK\$1,234.1 million in 2007, compared with HK\$611.1 million in 2006. The Group's capital expenditure was HK\$123.1 million in 2007, compared with HK\$112.1 million in 2006. The Group's dividend was HK\$12.1 million in 2007, compared with HK\$11.1 million in 2006. The Group's employees were 1,234 in 2007, compared with 1,123 in 2006.

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%。

Chairman's Statement 主席報告



LIQUIDITY AND CAPITAL RESOURCES

Our current ratio is 1.89 (31 December 2006: 2.90).
 As at 31 December 2007, our current assets are HK\$6,377.6 million (31 December 2006: HK\$9,467.1 million).

The net operating cycle is 96 days (31 December 2006: 84 days).

Inventory turnover is 64 days (31 December 2006: 73 days).

Trade receivables turnover is 80 days (31 December 2006: 97 days).

Trade payables turnover is 70 days (31 December 2006: 74 days).

流動資金及財務狀況

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

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

存貨週轉期縮短至六十四日(二零零六年十二月三十一日：七十三日)

貿易應收款項的週轉期改善至九十日(二零零六年十二月三十一日：九十七日)

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

Chairman's Statement 主席報告

HUMAN RESOURCES

As at 31 December 2007, the Group had employed 47,200 (31 December 2006: 42,900). The increase in the number of employees was mainly due to the expansion of the Group's business. In addition to providing competitive remuneration packages, the Group also provides other benefits to its employees based on the overall financial position and the performance of individual employees.

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，發放優先購權。



The newly built Soda Ash Plant, Hunan Province, has provided a new impetus for the development of the Group's chemical business in Hunan Province.

PROSPECTS

On 20 March 2008, the Group held a shareholders' meeting in Hong Kong to discuss the Group's business performance and future prospects. The Group's management team has a strong belief in the Group's long-term growth prospects. The Group's management team has a strong belief in the Group's long-term growth prospects. The Group's management team has a strong belief in the Group's long-term growth prospects.

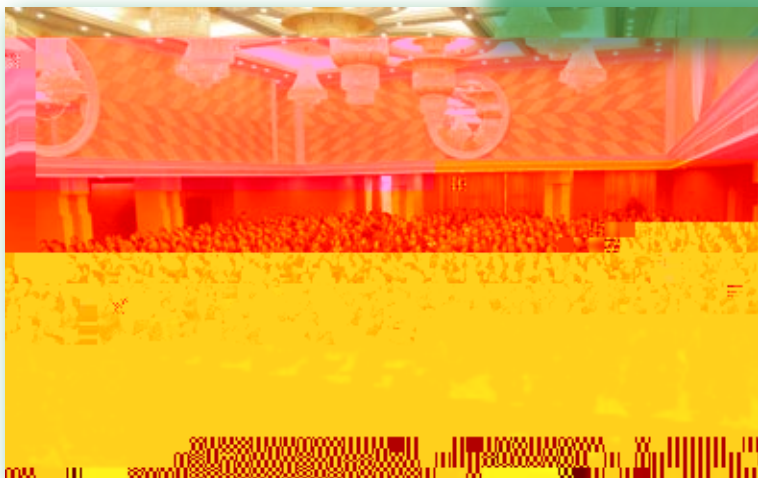
Chairman's Statement 主席報告

Dear Shareholders, 2008 is a year of challenges and opportunities. Under the leadership of Mr. Lu Ning, the Chairman, Kingboard has achieved a total revenue of 11.3 million USD, an increase of 9.3% over 2007. The Group's operating profit has also increased by 10.5% compared to 2007. This is a testament to the resilience and adaptability of our business model in the face of a global economic downturn.

Our PCB manufacturing capacity has expanded significantly, particularly in the high-end segments. We have successfully navigated the challenges posed by the winter season in China, ensuring stable production and delivery to our customers. The demand for覆銅板 (Copper Clad Board) remains robust, especially in the automotive and industrial sectors.

Looking ahead, we remain confident in our long-term growth prospects. We will continue to invest in research and development to enhance our product quality and expand our market reach. Our focus is on providing high-quality, reliable PCB solutions to our global customer base.

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強勁，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

For the PCB segment, the Group's main focus is on the high-end products for North America and Europe. The Group's PCB segment achieved a 57% increase in revenue in 2008.

Moreover, the Group has also expanded its high-end HDI PCB segment in the US, Korea, and Japan. The Group's HDI PCB segment achieved a 200% increase in revenue in 2008. The Group's revenue for 2008 is expected to be around 1.5 billion US dollars.

Chairman's Statement 主席報告

APPRECIATION

最後，本人謹代表董事會藉此機會向各位股東、客戶、銀行、管理人員及員工致以誠摯的謝意。

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、管理人員及員工致以誠摯的謝意。

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. CHEUNG K ... 52, ... h ... h ... m ...



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

Mr. MOK Ch'm Hu , Chairman, 43, is the Group's Chief Financial Officer since 2000. He has been the Group's Finance Director since 1999. Mr. MOK is a Chartered Accountant and a member of the Institute of Cost Accountants in Hong Kong. He holds a MA in Economics from the Chinese University of Hong Kong and an MBA from the University of Illinois at Chicago. He is also a Director of EEIC.

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 , 53, is the Chairman of the Board of Directors. Mr. CHU Kwan-ming, MBE, is the Group's Chairman since 1989. Mr. HO is a Director of KCFH.

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 離 弥 钵

Mr. CHENG L , 37, is the Group's Chairman since 2002. Mr. CHENG is the Group's Chairman since 2002. He has been the Group's Chairman since 2002. He has been the Group's Chairman since 2002.

Mr. CHENG M Fu , 71, is the Group's Chairman since 2003. He has been the Group's Chairman since 2003. He has been the Group's Chairman since 2003.



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

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

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

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



Directors' Report 董事會報告

The Board is pleased to present to the shareholders of Kingboard Chemical Holdings Limited the annual report and audited consolidated financial statements 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 notes 22, 25 and 41 to the consolidated financial statements.

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 is pleased to report that the Group has achieved a profit of 54 million Hong Kong dollars for the year.

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 its shareholders. The Directors also recommend a final dividend of HK70 per ordinary share for the year. The total dividend for the year is 5 million Hong Kong dollars.

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, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities.

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

Director's remuneration is set out in the Directors' Remuneration Report on pages 57 to 58.

In the year ended 31 December 2007, the Directors' Remuneration Committee ("DRC") has approved the remuneration of the Executive Directors for the year ended 31 December 2007. The DRC has also approved the remuneration of the Independent Non-Executive Directors for the year ended 31 December 2007. The DRC has also approved the remuneration of the Chairman of the DRC for the year ended 31 December 2007.

As at 31 December 2007, the remuneration of the Executive Directors for the year ended 31 December 2007 is as follows: HK\$5,614 million.

Directors' Report 董事會報告

At 31 December 2007, the directors are pleased to announce that the Company has received the approval of the shareholders to increase the authorized share capital of the Company from HK\$1,000,000,000 (the "Authorized Share Capital") to HK\$2,000,000,000 (the "New Authorized Share Capital"). The increase of the Authorized Share Capital is subject to the approval of the shareholders at the general meeting of the Company to be held on or after 15 February 2008. The Company is currently in the process of applying to the Companies Registry for the necessary amendments to the Memorandum and Articles of Association of the Company.

Long position

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

Name of Director 董事姓名	Capacity 權益性質	Number of Shares Held 所持已發行股份數目	Approximate Percentage of Issued Share Capital of the Company 佔本公司已發行股本之概約百分比
Mr. Cheung Kwok-choi 張國榮先生	Beneficial owner 實益擁有人	3,880,685	0.46
Mr. Chan Yung-kin (Note 1) 陳永錕先生(附註1)	Beneficial owner 實益擁有人	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)	Ownership 791,000 Shares Holding 60,000 Shares	Ownership 731,000 Shares Holding 60,000 Shares	Mr. Chen Yongbin
(2)	Ownership 2,769,174 Shares Holding 840,200 Shares	Ownership 1,928,974 Shares Holding 840,200 Shares	Mr. Zheng Yongkai
(3)	Ownership 1,504,079 Shares Holding 1,027,000 Shares	Ownership 477,079 Shares Holding 1,027,000 Shares	Mr. He Yansheng

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

Director's Name 董事姓名	Beneficial Nature 權益性質	Number of Shares 本公司優先購股權 項下相關股份權益
Mr. Chen Yongbin 張國榮先生	Beneficial Ownership 實益擁有人	210,600
Mr. Chen Yongbin 陳永鋸先生	Beneficial Ownership 實益擁有人	2,558,800
Mr. Chen Yongkai 鄭永耀先生	Beneficial Ownership 實益擁有人	3,175,800
Mr. He Yansheng (Note) 何燕生先生(附註)	Beneficial Ownership 實益擁有人	5,104,800
Mr. Zhang Guangjun 張廣軍先生	Beneficial Ownership 實益擁有人	2,951,800

Ownership 5,104,800 Shares Holding 1,984,000 Shares	Ownership 3,120,800 Shares Holding 1,984,000 Shares
--	--

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

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」)

董事姓名	權益性質	所持已發行建滔積層板股份數目	佔建滔積層板已發行股本之概約百分比
Mr. Cheung Koon	實益擁有人	934,500	0.03
張國榮先生	實益擁有人	934,500	0.03
Mr. Chan King (N/A 1)	實益擁有人	100,000	0.003
陳永鋸先生(附註1)	實益擁有人	100,000	0.003
Mr. Chan King (N/A 2)	實益擁有人	100,000	0.003
鄭永耀先生(附註2)	實益擁有人	100,000	0.003
Mr. He Si (N/A 3)	實益擁有人	540,000	0.01
何燕生先生(附註3)	實益擁有人	540,000	0.01
Ms. Cheung Lily, Sophia	實益擁有人	804,000	0.02
張偉連女士	實益擁有人	804,000	0.02

附註:

- The 100,000 KLHL Shares are held by Mr. Chan King.
- The 100,000 KLHL Shares are held by Mr. Chan King.
- The 540,000 KLHL Shares are held by Mr. He Si.

附註:

- 陳永鋸先生之配偶持有該100,000股建滔積層板股份。
- 鄭永耀先生之配偶持有該100,000股建滔積層板股份。
- 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	C	Number of Shares Held



Directors' Report 董事會報告

Long position (continued)

(f) Share options of EEIC

長倉(續)

(i) EEIC

Name (Director) 董事姓名	Category 權益性質	Number of Shares 股數 EEIC Share Units 優先購股權項下 相關EEIC股份權益 (附註)
Mr. Cheung Koon 張國榮先生	Beneficial 實益擁有人	973,200
Mr. Chan Koon 陳永銀先生	Beneficial 實益擁有人	973,200
Mr. Chan Yiu 鄭永耀先生	Beneficial 實益擁有人	973,200
Mr. Mo Kam Hung, Cheung 莫湛雄先生	Beneficial 實益擁有人	973,200

Note: The number of shares reserved for issuance is 3,244,000 shares of EEIC. On 24 July 2005, the number of shares reserved for issuance was 3,244,000 shares. On 1 July 2005, the number of shares reserved for issuance was 3,244,000 shares. On 13 October 2005, the number of shares reserved for issuance was 3,244,000 shares. On 26 November 2006, 26 November 2007, 26 November 2008, 26 November 2009 and 26 March 2010, the number of shares reserved for issuance was 3,244,000 shares.



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 名	C	Number of KCFL Shares 所持已發行 KCFL 股 份	Approximate Percentage of KCFL Issued Shares 佔KCFL已發行 股本之概約

Directors' Report 董事會報告

Principal shareholder KLHL Investment Management Limited, EEIC
 KLHL Investment Management Limited 35% shareholding
 3 million shares

The following table shows the shareholding of the directors
 and their family members:

Class: Director's 第1類：董事	Outstanding 1.1.2007 於二零零七年 一月一日		Reclassified 重新分類	Outstanding 31.12.2007 於二零零七年 十二月三十一日	
	Number of Shares 股數	Value 價值		Number of Shares 股數	Value 價值
Mr. Cheung Kwok 張國榮先生	1,145,000			(934,400)	210,600
Mr. Chan Yung 陳永鋸先生	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. Chan Yung 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	3,588,000	(467,200)	3,120,800
	11,233,000		3,588,000	(2,803,200)	12,017,800
Class 2: Employee 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:

Class of Options	Outstanding at 1.1.2007	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2007
	於二零零七年 一月一日 尚未行使	於二零零七年 一月一日 已於 本年度行使	於二零零七年 一月一日 已於 本年度 失效	於二零零七年 十二月三十一日 尚未行使
Class 1: Directors' share options				



Directors' Report 董事會報告

Next is the Chairman's Report
The Chairman's Report
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Directors' Report 董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

Long position (continued)

Other shareholders, the Company has
...
... 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. In addition, the Company has not entered into any transactions with related parties that are not at arm's length.

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 remuneration of the members of the Group's Executive Board is determined by the Remuneration Committee of the Company. The remuneration of the members of the Executive Board is determined by the Remuneration Committee of the Company.

The remuneration of the Directors is determined by the Remuneration Committee of the Company. The remuneration of the Directors is determined by the Remuneration Committee of the Company.

The Company has adopted the remuneration policy of the Directors. The remuneration of the Directors is determined by the Remuneration Committee of the Company.

PRE-EMPTIVE RIGHTS

The Company does not have any pre-emptive rights. The Company does not have any pre-emptive rights.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained sufficient public float throughout the year. The Company has maintained sufficient public float throughout the year.

POST BALANCE SHEET EVENT

During the year, the Company has not entered into any post-balance sheet events. During the year, the Company has not entered into any post-balance sheet events.



Directors' Report 董事會報告

Annual Report - 2007/08
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Annual Report - 2007/08
Annual Report - 2007/08

Chairman
Cheung Kwok Wing
CHAIRMAN

17 March 2008



Corporate Governance Report

企業管治報告

The Board of Kingboard Chemical Holdings Limited (the "Company", together with its subsidiaries the "Group") is pleased to present its Corporate Governance Report for the year ended 31 December 2007. This report is intended to provide information to the shareholders of the Company on the Company's corporate governance practices and procedures.

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。

During the year, the Board has continued to adhere to the provisions of the Securities and Futures Ordinance (the "SFO") and the Listing Rules of the Securities and Futures Commission (the "Listing Rules") of the Hong Kong Stock Exchange (the "Listing Rules") and the Corporate Governance Code (the "Code") of the Securities and Futures Commission (the "SFC"). The Board has also adopted the Code of Best Practice on Corporate Governance (the "Code of Best Practice") issued by the SFC. The Board has reviewed the Code of Best Practice and the Listing Rules and has decided to adopt the Code of Best Practice as a guide to its corporate governance practices.

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。

In addition to the Code, the Board has also adopted the Best Practice on Corporate Governance (the "Best Practice") issued by the SFC. The Board has reviewed the Best Practice and the Listing Rules and has decided to adopt the Best Practice as a guide to its corporate governance practices. The Board has also adopted the Code of Best Practice on Corporate Governance (the "Code of Best Practice") issued by the SFC. The Board has reviewed the Code of Best Practice and the Listing Rules and has decided to adopt the Code of Best Practice as a guide to its corporate governance practices.

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。

The Company has also adopted the Code of Best Practice on Corporate Governance (the "Code of Best Practice") issued by the SFC. The Board has reviewed the Code of Best Practice and the Listing Rules and has decided to adopt the Code of Best Practice as a guide to its corporate governance practices. The Board has also adopted the Code of Best Practice on Corporate Governance (the "Code of Best Practice") issued by the SFC. The Board has reviewed the Code of Best Practice and the Listing Rules and has decided to adopt the Code of Best Practice as a guide to its corporate governance practices.

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

The Board consists of nine independent non-executive directors, three executive directors and two non-executive directors. The Board has a diverse mix of skills, experience and backgrounds. The Board has a majority of independent non-executive directors. A further three independent non-executive directors are also members of the Board. The Board has a majority of independent non-executive directors. A further three independent non-executive directors are also members of the Board. The Board has a majority of independent non-executive directors. A further three independent non-executive directors are also members of the Board.

The Board is responsible for the overall strategy and performance of the Group. The Board has a majority of independent non-executive directors. A further three independent non-executive directors are also members of the Board. The Board has a majority of independent non-executive directors. A further three independent non-executive directors are also members of the Board. The Board has a majority of independent non-executive directors. A further three independent non-executive directors are also members of the Board.

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. The attendance records of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee are as follows:

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

	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Number of Meeting	4	3	2	2
Executive directors				
Chiu Kiu (Chairman)	4			
Chiu Kiu (Managing Director)	4	2	2	2
Chiu Kiu Kiu	4			
Chiu Kiu	4			
Moi Chiu Hui, Chiu Kiu	4	2	2	2
Chiu Kiu (appointed on 11 July 2007)	4			
Chiu Kiu, Chiu Kiu (appointed on 11 July 2007)	4			
Independent non-executive directors				
Chiu Kiu, Pui Kiu	4	3	2	2
Chiu Kiu, Chiu Kiu (appointed on 1 July 2007)	3			
Tsui Kiu Hui	4	3	2	2
Hui Kiu	4	3	2	2

The Board has held four meetings during the reporting period. The attendance records of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee are as follows:

Division and responsibilities

The Board of Directors has the Chairman of the Board, Mr. Liang Hui, as the Chairman. The Board has the Chairman, Mr. Liang Hui, as the Chairman of the Board. The Board has the Chairman, Mr. Liang Hui, as the Chairman of the Board.

The Board of Directors has the Chairman of the Board, Mr. Liang Hui, as the Chairman of the Board.

The Board of Directors has the Chairman of the Board, Mr. Liang Hui, as the Chairman of the Board. The Board of Directors has the Chairman of the Board, Mr. Liang Hui, as the Chairman of the Board.

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The Board of Directors has the Chairman of the Board, Mr. Liang Hui, as the Chairman of the Board. The Board of Directors has the Chairman of the Board, Mr. Liang Hui, as the Chairman of the Board.

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



Corporate Governance Report 企業管治報告

Board composition

The Board currently comprises eleven members, including four independent non-executive directors, one executive director and six non-executive directors. The Chairman, Mr. ...

董事會成員

董事會現由十一名成員組成，其中四名為獨立非執行董事，彼等之獨立非執行董事身分均於所有載有董事姓名的公司通訊中明確說明。其中一名獨立非執行董事具備上市規則規定之適當專業資格。

Executive Directors

- Chairman: Mr. ...
Managing Director: Mr. ...
Mr. ...
Mr. ...
Mr. ...
Mr. ...

Independent non-executive Directors

- Mr. ...
Mr. ...
Mr. ...
Mr. ...
Mr. ...
Mr. ...

the same way that the x and y axes are perpendicular to each other, the u and v axes are perpendicular to each other.

Let's see how we can use the u and v axes to find the area of a parallelogram.

Suppose we have a parallelogram with vertices $(0, 0)$, (u_1, v_1) , (u_2, v_2) , and $(u_1 + u_2, v_1 + v_2)$. The area of this parallelogram is given by the determinant of the matrix formed by the u and v coordinates of the vertices:

$$\text{Area} = \begin{vmatrix} u_1 & v_1 \\ u_2 & v_2 \end{vmatrix} = u_1 v_2 - u_2 v_1$$

Notice that the area is the same as the area of the parallelogram formed by the vectors \mathbf{u} and \mathbf{v} .

Let's see how we can use the u and v axes to find the area of a triangle.

Suppose we have a triangle with vertices $(0, 0)$, (u_1, v_1) , and (u_2, v_2) . The area of this triangle is given by the determinant of the matrix formed by the u and v coordinates of the vertices:

$$\text{Area} = \frac{1}{2} \begin{vmatrix} u_1 & v_1 \\ u_2 & v_2 \end{vmatrix} = \frac{1}{2} (u_1 v_2 - u_2 v_1)$$

Notice that the area is half the area of the parallelogram formed by the vectors \mathbf{u} and \mathbf{v} .

Let's see how we can use the u and v axes to find the area of a quadrilateral.

Suppose we have a quadrilateral with vertices $(0, 0)$, (u_1, v_1) , (u_2, v_2) , and (u_3, v_3) . The area of this quadrilateral is given by the determinant of the matrix formed by the u and v coordinates of the vertices:

$$\text{Area} = \frac{1}{2} \begin{vmatrix} u_1 & v_1 \\ u_2 & v_2 \\ u_3 & v_3 \end{vmatrix} = \frac{1}{2} (u_1 v_2 - u_2 v_1 + u_2 v_3 - u_3 v_2 + u_3 v_1 - u_1 v_3)$$

Notice that the area is half the area of the parallelogram formed by the vectors \mathbf{u} and \mathbf{v} .

Let's see how we can use the u and v axes to find the area of a pentagon.

Suppose we have a pentagon with vertices $(0, 0)$, (u_1, v_1) , (u_2, v_2) , (u_3, v_3) , and (u_4, v_4) . The area of this pentagon is given by the determinant of the matrix formed by the u and v coordinates of the vertices:

$$\text{Area} = \frac{1}{2} \begin{vmatrix} u_1 & v_1 \\ u_2 & v_2 \\ u_3 & v_3 \\ u_4 & v_4 \end{vmatrix} = \frac{1}{2} (u_1 v_2 - u_2 v_1 + u_2 v_3 - u_3 v_2 + u_3 v_4 - u_4 v_3 + u_4 v_1 - u_1 v_4)$$

Notice that the area is half the area of the parallelogram formed by the vectors \mathbf{u} and \mathbf{v} .

Let's see how we can use the u and v axes to find the area of a hexagon.

Suppose we have a hexagon with vertices $(0, 0)$, (u_1, v_1) , (u_2, v_2) , (u_3, v_3) , (u_4, v_4) , and (u_5, v_5) . The area of this hexagon is given by the determinant of the matrix formed by the u and v coordinates of the vertices:

$$\text{Area} = \frac{1}{2} \begin{vmatrix} u_1 & v_1 \\ u_2 & v_2 \\ u_3 & v_3 \\ u_4 & v_4 \\ u_5 & v_5 \end{vmatrix} = \frac{1}{2} (u_1 v_2 - u_2 v_1 + u_2 v_3 - u_3 v_2 + u_3 v_4 - u_4 v_3 + u_4 v_5 - u_5 v_4 + u_5 v_1 - u_1 v_5)$$

Notice that the area is half the area of the parallelogram formed by the vectors \mathbf{u} and \mathbf{v} .

Let's see how we can use the u and v axes to find the area of a heptagon.

Suppose we have a heptagon with vertices $(0, 0)$, (u_1, v_1) , (u_2, v_2) , (u_3, v_3) , (u_4, v_4) , (u_5, v_5) , and (u_6, v_6) . The area of this heptagon is given by the determinant of the matrix formed by the u and v coordinates of the vertices:

$$\text{Area} = \frac{1}{2} \begin{vmatrix} u_1 & v_1 \\ u_2 & v_2 \\ u_3 & v_3 \\ u_4 & v_4 \\ u_5 & v_5 \\ u_6 & v_6 \end{vmatrix} = \frac{1}{2} (u_1 v_2 - u_2 v_1 + u_2 v_3 - u_3 v_2 + u_3 v_4 - u_4 v_3 + u_4 v_5 - u_5 v_4 + u_5 v_6 - u_6 v_5 + u_6 v_1 - u_1 v_6)$$

Notice that the area is half the area of the parallelogram formed by the vectors \mathbf{u} and \mathbf{v} .



1984

Kingboard
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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；

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；

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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

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。

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The Audit Committee oversees the work of the external auditors, including the independence and objectivity of the external auditors. The Audit Committee also reviews the results of the internal control audit and the effectiveness of the internal control system. The Audit Committee also reviews the results of the internal control audit and the effectiveness of the internal control system. The Audit Committee also reviews the results of the internal control audit and the effectiveness of the internal control system.

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：

Number	服務性質	Amount (HK\$) 金額(港元)
Auditor's fee	核數服務	9,264,000
Non-auditor's fee	非核數服務	
(i) Tax services	(i) 稅務服務	1,619,000
(ii) Other services	(ii) 其他服務	242,000



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The Audit Committee has performed its duties in accordance with the Memorandum of Association, the Articles of Association, the Bye-laws and the Charter of the Group. The Committee has also reviewed the financial statements of the Group for the year ended 31 December 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

The Company's strategy is to develop and expand its business in the E.U. and other international markets. The Board of Directors has approved the Group's business strategy and the Group's financial and operational policies. The Board has also approved the Group's financial and operational policies. The Board has also approved the Group's financial and operational policies.

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

The Board has established three committees, namely the Audit Committee, the Nomination Committee, and the Remuneration Committee. The Board has also established the Shareholders' Committee. The Board has also established the Shareholders' Committee.

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。

The Nomination Committee has recommended Mr. Henry Tang (Chairman), Mr. Charles M. Fu, P. U., Mr. Tony K. M. Ho, and Mr. ... to the Board of Directors.

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：

- 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；

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；



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Corporate Governance Report 企業管治報告

The Board comprises members with diverse backgrounds and experiences. The Board members are as follows:

Mr. Wong Chi-ling, Chairman

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Mr. Wong Chi-ling, Chairman

Mr. Wong Chi-ling, Chairman

Mr. Wong Chi-ling, Chairman

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Mr. Wong Chi-ling, Chairman

Mr. Wong Chi-ling, Chairman

Mr. Wong Chi-ling, Chairman

Mr. Wong Chi-ling, Chairman

Mr. Wong Chi-ling, Chairman

Mr. Wong Chi-ling, Chairman

Mr. Wong Chi-ling, Chairman



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)

吾等已於二零零七年十二月三十一日對建滔化工集團及其附屬公司(統稱「貴集團」)的綜合財務報表進行了審核。該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

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核,對上述綜合財務報表是否真實而公平地列報,並符合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,發表意見。我們不負責任地對未來事件或情況作出預測,或對會計估計作出判斷。我們亦不負責任地對與綜合財務報表無關的資料發表意見。

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2007 於二零零七年十二月三十一日

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		NOTES 附註		
Non-current liabilities 非流動負債				
Deferred tax liabilities 遞延稅項負債		33	29,165	36,323
Bank borrowings - one year maturity 銀行借貸 - 一年後到期之款項		32	5,490,372	4,086,223
			5,519,537	4,122,546
			22,226,796	19,012,921
Equity and reserves 股本及儲備				
Share capital 股本		34	83,810	83,280
Share premium reserve 股份溢價儲備			18,193,893	15,875,645
Reserves 儲備				
Retained profits 保留溢利				
Other reserves 其他儲備				

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 tax	3,717,184	7,596,154
Adjustments:		
Share of results of associates	(298,283)	(39,924)
Share of results of jointly controlled entities	1,070	1,755
Amortisation of intangible assets	632	500



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	2006
		二零零七年	二零零六年
	NOTE	HK\$'000	HK\$'000
	附註	千港元	千港元
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	投資業務	(3,518,081)	(2,026,971)
Purchase of investment property	購買物業、廠房及設備	(1,084,477)	-
Purchase of investment available for sale	購買投資物業	(616,905)	(350,271)
Disposal of property, plant and equipment	購買可供出售投資	(993,168)	(265,430)
	購買物業、廠房及設備	(335,712)	(121,852)
Advance to joint venture	收購聯營公司	(784,506)	(106,071)
Prepayment of lease	已付預付租賃款項	(324,468)	(69,747)
Advance to subsidiary	收購附屬公司	(449,728)	(66,078)
Cost of acquisition of subsidiary	增購附屬公司權益所付代價	(108,000)	-
Purchase of convertible bonds	購買可換股債券	(245)	(907)
Purchase of intangible assets	購買無形資產	-	4,985,909
Net disposal of part of equity interest in subsidiary	出售一間附屬公司部分權益	6,543	-
Proceeds from disposal of equity interest in joint venture	出售一間聯營公司權益之所得款項	23	-
Proceeds from disposal of contract of long-term derivative	結算外幣遠期合約之所得款項	-	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	-	-



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 of the Group have been prepared in accordance with the accounting policies set out in the consolidated financial statements, which are based on the accounting policies of the Group. The consolidated financial statements are prepared in accordance with the Hong Kong Financial Reporting Standards (HKFRS) issued by the Hong Kong Accounting Standards Council (HKASC) (formerly the Hong Kong Institute of Certified Public Accountants (HKICPA)), the Hong Kong Accounting Standards (HKAS) issued by the HKICPA and the Interpretations of HKFRS issued by the HKICPA, as amended from time to time, and the accounting policies of the Group as at 31 December 2007.

HKAS 1 (Amended)	Consolidated financial statements
HKFRS 7	Financial instruments: disclosures
HK(IFRIC) INT 7	Application of HKAS 29: Foreign currency measurement
HK(IFRIC) INT 8	Scope of HKFRS 2
HK(IFRIC) INT 9	Revised 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, the Hong Kong Accounting Standards issued by the IASB, the Interpretations issued by the HKICPA, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and the Companies Ordinance.

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 all its subsidiaries controlled by the Company (collectively referred to as the "Group") as at and for the year ended 31 December 2007. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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 results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or until the date of disposal, as appropriate.

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。

Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

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 inter-company 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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (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

Business combinations (continued)

本公司於二零零七年十二月三十一日止年度
 收購了以下公司，其業務與本集團
 的業務性質不同。收購的詳情如下：

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 acquisition cost in excess of the fair value of identifiable intangible assets, liabilities and contingent liabilities of the investee at the acquisition date is recognised as goodwill. Goodwill is included in the carrying amount of the investment and is tested for impairment. Any goodwill in excess of the fair value of identifiable intangible assets, liabilities and contingent liabilities of the investee at the acquisition date is recognised as goodwill. Goodwill is included in the carrying amount of the investment and is tested for impairment.

Any goodwill in excess of the fair value of identifiable intangible assets, liabilities and contingent liabilities of the investee at the acquisition date is recognised as goodwill. Goodwill is included in the carrying amount of the investment and is tested for impairment.

When the Group entity transacts with the investee, the profit or loss is recognised in the consolidated financial statements of the Group.

Deemed disposal of interests in associates

When the Group disposes of its interest in an associate, the profit or loss is recognised in the consolidated financial statements of the Group.

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

Jointly controlled entities

The Group has joint control over the following entities, which are accounted for as jointly controlled entities in the consolidated financial statements:

The following table sets out the details of the jointly controlled entities in the consolidated financial statements. The Group's shareholding percentage in each of the jointly controlled entities is as follows:

Entity Name	Group's Shareholding Percentage
Jointly controlled entities	
1. [Entity Name]	[Percentage]
2. [Entity Name]	[Percentage]
3. [Entity Name]	[Percentage]
4. [Entity Name]	[Percentage]
5. [Entity Name]	[Percentage]
6. [Entity Name]	[Percentage]
7. [Entity Name]	[Percentage]
8. [Entity Name]	[Percentage]
9. [Entity Name]	[Percentage]
10. [Entity Name]	[Percentage]
11. [Entity Name]	[Percentage]
12. [Entity Name]	[Percentage]
13. [Entity Name]	[Percentage]
14. [Entity Name]	[Percentage]
15. [Entity Name]	[Percentage]
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18. [Entity Name]	[Percentage]
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75. [Entity Name]	[Percentage]
76. [Entity Name]	[Percentage]
77. [Entity Name]	[Percentage]
78. [Entity Name]	[Percentage]
79. [Entity Name]	[Percentage]
80. [Entity Name]	[Percentage]
81. [Entity Name]	[Percentage]
82. [Entity Name]	[Percentage]
83. [Entity Name]	[Percentage]
84. [Entity Name]	[Percentage]
85. [Entity Name]	[Percentage]
86. [Entity Name]	[Percentage]
87. [Entity Name]	[Percentage]
88. [Entity Name]	[Percentage]
89. [Entity Name]	[Percentage]
90. [Entity Name]	[Percentage]
91. [Entity Name]	[Percentage]
92. [Entity Name]	[Percentage]
93. [Entity Name]	[Percentage]
94. [Entity Name]	[Percentage]
95. [Entity Name]	[Percentage]
96. [Entity Name]	[Percentage]
97. [Entity Name]	[Percentage]
98. [Entity Name]	[Percentage]
99. [Entity Name]	[Percentage]
100. [Entity Name]	[Percentage]

All jointly controlled entities are accounted for as jointly controlled entities in the consolidated financial statements.

The Group's shareholding percentage in each of the jointly controlled entities is as follows:

共同控制實體

合營企業安排涉及成立獨立實體，而當中各經營方對該實體之經濟活動擁有共同控制權者乃列作共同控制實體。

共同控制實體之業績及資產與負債乃按權益會計法列入綜合財務報表內。根據權益法，於共同控制實體之投資乃按成本就本集團應佔該共同控制實體之資產淨值之收購後變動調整，減任何已識別之減值虧損於綜合資產負債表列賬。當本集團應佔共同控制實體之虧損相等於或超出其於該共同控制實體之權益（包括實質上構成本集團於該共同控制實體之投資淨額之一部分之任何長期權益），則本集團不再確認其應佔之進一步虧損。額外應佔虧損會作出撥備及確認負債，惟僅以本集團已產生法定或推定責任或代表該共同控制實體支付之款項為限。

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共同控制實體進行交易時，未變現之損益會按本集團佔有關共同控制實體之權益予以撇銷。

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

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 represents the excess of the cost of acquisition over the fair value of the identifiable intangible assets and net identifiable assets of the acquired entities at the acquisition date.

For acquisitions after 1 January 2001, goodwill is measured at the acquisition date and is not amortised. Goodwill arising on acquisitions on or after 1 January 2005 is measured at the acquisition date and is amortised over the useful life of the intangible asset.

Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on acquisitions on or after 1 January 2005 represents the excess of the cost of acquisition over the fair value of the identifiable intangible assets and net identifiable assets of the acquired entities at the acquisition date. Goodwill is measured at the acquisition date and is amortised over the useful life of the intangible asset.

Goodwill arising on acquisitions on or after 1 January 2005 is measured at the acquisition date and is amortised over the useful life of the intangible asset.

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釐定回



SIGNIFICANT ACCOUNTING POLICIES

3. 主要會計政策(續)

(continued)

投資物業(續)

Investment properties (continued)

投資物業於出售後釐鼻

At the end of the reporting period, investment properties are measured at fair value less costs to sell. Fair value is determined by reference to market transactions for similar properties. Where no such market transactions are available, fair value is determined by reference to other valuation techniques, such as the discounted cash flow method. Investment properties are classified as held for sale when management has decided to dispose of them within 12 months of the reporting period.

Properties, plant and equipment

Properties, plant and equipment are measured 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: buildings, 20 to 30 years; plant and equipment, 3 to 10 years; and motor vehicles, 5 years.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are: buildings, 20 to 30 years; plant and equipment, 3 to 10 years; and motor vehicles, 5 years.

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

Expenditure on research and development activities is expensed as incurred.

As a result of the Group's research and development activities, it has identified certain intangible assets that are expected to generate future economic benefits. These intangible assets are identifiable and are controlled by the Group. The Group's intangible assets are primarily software development costs, which are expensed as incurred. The Group's intangible assets are primarily software development costs, which are expensed as incurred.

The Group's intangible assets are primarily software development costs, which are expensed as incurred. The Group's intangible assets are primarily software development costs, which are expensed as incurred.

Software development costs are expensed as incurred. Software development costs are expensed as incurred.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized at fair value. Intangible assets acquired in a business combination are recognized at fair value.

Software development costs are expensed as incurred. Software development costs are expensed as incurred.

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

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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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies

For the purpose of presenting the consolidated financial statements, the transactions and balances are recorded in the functional currency of the entity. The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Group is the Hong Kong dollar. The consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated. All amounts are rounded to the nearest thousand Hong Kong dollars, unless otherwise stated.

Exchange rates are determined at the end of the reporting period. Exchange differences are recognized in the consolidated profit or loss account. Exchange differences on monetary items are recognized in the consolidated profit or loss account.

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 for retirement benefit costs is based on the actuarial valuation of the retirement benefit obligations. The actuarial valuation is based on the assumptions of the actuarial valuation. The actuarial valuation is based on the assumptions of the actuarial valuation.

Taxation

The taxation is based on the tax laws of the countries in which the Group operates. The taxation is based on the tax laws of the countries in which the Group operates.

The taxation is based on the tax laws of the countries in which the Group operates. The taxation is based on the tax laws of the countries in which the Group operates.

The taxation is based on the tax laws of the countries in which the Group operates. The taxation is based on the tax laws of the countries in which the Group operates.

The taxation is based on the tax laws of the countries in which the Group operates. The taxation is based on the tax laws of the countries in which the Group operates.



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 chargeable income. The Group is subject to income tax in Hong Kong on its chargeable income. The Group is also subject to income tax in the People's Republic of China ("PRC") on its chargeable income.

The income tax expense for the year is as follows:

Direct taxation comprises income tax payable by the Group on its chargeable income. The Group is subject to income tax in Hong Kong on its chargeable income. The Group is also subject to income tax in the PRC on its chargeable income.

Financial instruments

Financial instruments are those contracts that give rise to a financial asset or financial liability. Financial instruments are classified as financial assets or financial liabilities.

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified as (i) financial assets at fair value through profit or loss (FVTPL), (ii) financial assets at fair value through other comprehensive income (FVOCI), and (iii) financial assets at amortised cost. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. At initial recognition, the Group irrevocably classifies its financial assets into one of the above categories. For financial assets at FVTPL, any gains or losses are recognised in profit or loss. For financial assets at FVOCI, any gains or losses are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses, which are recognised in profit or loss. For financial assets at amortised cost, any gains or losses are recognised in profit or loss.

Financial assets are measured at fair value at the end of each reporting period. The fair value of financial assets is determined using appropriate valuation techniques. Where available, fair value is based on quoted market prices in active markets. If there is no quoted market price for a financial asset, the fair value is determined using valuation techniques that use market based data to the greatest extent possible. The Group uses the following methods and assumptions to estimate the fair value of its financial assets:

(i) Financial assets that are traded in active markets are measured at their quoted market prices at the reporting date.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets that are held for trading and financial assets designated at FVTPL at initial recognition. Gains or losses on these financial assets are recognised in profit or loss.

At the reporting date, the Group has the following financial assets at FVTPL:

Financial assets at FVTPL are measured at fair value at the reporting date. The fair value of these financial assets is determined using appropriate valuation techniques.

The Group uses the following methods and assumptions to estimate the fair value of its financial assets at FVTPL:

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 of HK\$1,000 million, which were primarily equity securities. The fair value of these financial assets was HK\$1,000 million at the end of the year.

Loans and receivables

Loans and receivables are primarily short-term loans to related companies and other entities. At the end of the year, the Group had loans and receivables of HK\$1,000 million (US\$125 million). The Group's loans and receivables are primarily denominated in US dollars (US\$).

Available-for-sale financial assets

At the end of the year, the Group had available-for-sale financial assets of HK\$1,000 million, which were primarily equity securities. The fair value of these financial assets was HK\$1,000 million at the end of the year.

At the beginning of the year, the Group had available-for-sale financial assets of HK\$1,000 million, which were primarily equity securities. The fair value of these financial assets was HK\$1,000 million at the end of the year.

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 於

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

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

3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策(續)

(continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets (continued)

Financial assets available for sale are measured at fair value. Changes in fair value are recognized in other comprehensive income. For equity instruments, the fair value is determined based on the closing price of the instrument in an active market. For debt instruments, the fair value is determined based on the present value of the estimated future cash flows, discounted at the market rate of interest. The fair value of financial assets available for sale is determined based on the closing price of the instrument in an active market. For equity instruments, the fair value is determined based on the closing price of the instrument in an active market. For debt instruments, the fair value is determined based on the present value of the estimated future cash flows, discounted at the market rate of interest.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period. An impairment loss is recognized when the carrying amount of a financial asset exceeds its recoverable amount. The carrying amount of a financial asset is the amount at which the asset is recognized in the consolidated financial statements, less any impairment losses recognized. The recoverable amount is the maximum of the asset's fair value less costs to sell and its value in use. The fair value less costs to sell is the amount that would be received from the sale of the asset, less the costs of disposal. The value in use is the present value of the estimated future cash flows that are expected to be received from the asset.

Financial assets are classified as available-for-sale if they are non-derivative financial assets that are designated as available-for-sale at initial recognition. Available-for-sale financial assets are measured at fair value. Changes in fair value are recognized in other comprehensive income. For equity instruments, the fair value is determined based on the closing price of the instrument in an active market. For debt instruments, the fair value is determined based on the present value of the estimated future cash flows, discounted at the market rate of interest.

Financial assets are classified as held-to-maturity if they are non-derivative financial assets that are designated as held-to-maturity at initial recognition. Held-to-maturity financial assets are measured at amortized cost. Changes in carrying amount are recognized in profit or loss. The carrying amount of a held-to-maturity financial asset is the amount at which the asset is recognized in the consolidated financial statements, less any impairment losses recognized. The carrying amount is determined based on the present value of the estimated future cash flows, discounted at the market rate of interest.

金融工具(續)

財務資產(續)

可供出售財務資產(續)

可供出售財務資產

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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)*

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	\$	F_TPL	h	\$	43	i	\$
U	\$	h	i	r	h	\$	43
\$	\$	F_TPL	r	e	e	\$	43
A	\$	\$	\$	h	i	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

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 liability, or a contract that can be settled net in cash or another financial instrument. The primary purpose of a derivative financial instrument is to hedge a risk or to speculate on changes in the price of an underlying asset. Derivative financial instruments are classified as either trading or held for sale. Trading derivative financial instruments are those that are held for the purpose of selling them in the near future. Held for sale derivative financial instruments are those that are held for the purpose of selling them in the future.

Derivative financial instruments are contracts that give rise to a financial asset or liability, or a contract that can be settled net in cash or another financial instrument. The primary purpose of a derivative financial instrument is to hedge a risk or to speculate on changes in the price of an underlying asset. Derivative financial instruments are classified as either trading or held for sale.

The Group uses derivative financial instruments to hedge its foreign exchange risk. The Group uses forward exchange contracts to hedge its foreign exchange risk.

Embedded derivatives

Derivative financial instruments are contracts that give rise to a financial asset or liability, or a contract that can be settled net in cash or another financial instrument. The primary purpose of a derivative financial instrument is to hedge a risk or to speculate on changes in the price of an underlying asset. Derivative financial instruments are classified as either trading or held for sale.

Hedge accounting

The Group uses derivative financial instruments to hedge its foreign exchange risk. The Group uses forward exchange contracts to hedge its foreign exchange risk.

At the beginning of the hedging relationship, the Group records the hedging relationship and the hedging instrument. The Group records the hedging relationship and the hedging instrument at the beginning of the hedging relationship. The Group records the hedging relationship and the hedging instrument at the beginning of the hedging relationship.

3. 主要會計政策(續)

金融工具(續)

衍生金融工具及對沖

Derivative financial instruments are contracts that give rise to a financial asset or liability, or a contract that can be settled net in cash or another financial instrument. The primary purpose of a derivative financial instrument is to hedge a risk or to speculate on changes in the price of an underlying asset. Derivative financial instruments are classified as either trading or held for sale. Trading derivative financial instruments are those that are held for the purpose of selling them in the near future. Held for sale derivative financial instruments are those that are held for the purpose of selling them in the future.

Derivative financial instruments are contracts that give rise to a financial asset or liability, or a contract that can be settled net in cash or another financial instrument. The primary purpose of a derivative financial instrument is to hedge a risk or to speculate on changes in the price of an underlying asset. Derivative financial instruments are classified as either trading or held for sale.

The Group uses derivative financial instruments to hedge its foreign exchange risk. The Group uses forward exchange contracts to hedge its foreign exchange risk.

內置衍生工具

Derivative financial instruments are contracts that give rise to a financial asset or liability, or a contract that can be settled net in cash or another financial instrument. The primary purpose of a derivative financial instrument is to hedge a risk or to speculate on changes in the price of an underlying asset. Derivative financial instruments are classified as either trading or held for sale.

對沖會計法

The Group uses derivative financial instruments to hedge its foreign exchange risk. The Group uses forward exchange contracts to hedge its foreign exchange risk.

At the beginning of the hedging relationship, the Group records the hedging relationship and the hedging instrument. The Group records the hedging relationship and the hedging instrument at the beginning of the hedging relationship. The Group records the hedging relationship and the hedging instrument at the beginning of the hedging relationship.



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

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

Financial instruments (continued)

Hedge accounting (continued)

Commodity

The Group has entered into commodity contracts to hedge the price risk of the purchase of raw materials. The Group has also entered into commodity contracts to hedge the price risk of the sale of raw materials.

Amounts recorded in the consolidated financial statements are as follows:

	2007	2006
Assets	1,000	1,000
Liabilities	1,000	1,000
Net assets	0	0

Derecognition

Financial assets are derecognized when the Group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognized when the Group has transferred substantially all the risks and rewards of ownership.

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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
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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the course of preparing the Group's financial statements, management has to make estimates and assumptions that affect the reported amounts of assets and 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 following are the key sources of estimation uncertainty that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

the x -axis. The x -coordinate of the vertex is $-\frac{b}{2a}$. The y -coordinate of the vertex is $-\frac{b^2 - 4ac}{4a}$.

Graph the parabola $y = x^2 - 6x + 8$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 + 4x - 12$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 8x + 15$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 10x + 21$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 12x + 36$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 14x + 49$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 16x + 64$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 18x + 81$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 20x + 100$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 22x + 121$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 24x + 144$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 26x + 169$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 28x + 196$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 30x + 225$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 32x + 256$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 34x + 289$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 36x + 324$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 38x + 361$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 40x + 400$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 42x + 441$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 44x + 484$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 46x + 529$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 48x + 576$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 50x + 625$. Label the vertex and the x -intercepts.

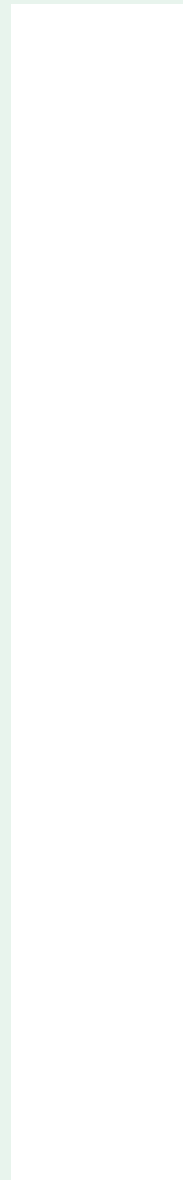
Graph the parabola $y = x^2 - 52x + 676$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 54x + 729$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 56x + 784$. Label the vertex and the x -intercepts.

Graph the parabola $y = x^2 - 58x + 841$. Label the vertex and the x -intercepts.

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)

Currency (continued)

Sensitivity analysis

The Group is exposed to currency risk arising from sales and purchases denominated in US Dollars, Euro and the Hong Kong dollar. The Group's sensitivity to a 5% increase in the US Dollar, Euro and the Hong Kong dollar exchange rates against the Hong Kong dollar is as follows:

本集團承受美元、歐元及香港美元匯率波動的風險。倘美元、歐元及香港美元匯率分別對香港美元上升5%，則本集團的匯兌損益將增加如下：

每美元兌港幣增加5%對本集團的匯兌損益的影響如下：

每歐元兌港幣增加5%對本集團的匯兌損益的影響如下：

每香港美元兌港幣增加5%對本集團的匯兌損益的影響如下：

6. 金融工具(續)
6b. 財務風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

敏感度分析

本集團主要面對美元及歐元的貨幣風險。下表詳述本集團對人民幣兌相關外幣升跌5%的敏感度。5%為本集團內部向主要管理人員匯報外幣風險所用的敏感度比率，亦是管理層對外匯匯率可能出現之合理變動的評估。敏感度分析包括尚未結算以外幣列值的貨幣項目，對年末匯率5%變動作兌。

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
US Dollars	(74,429)	(14,780)
Euro	12,535	638

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)

Interest rates

The Group is exposed to interest rate risk arising from its floating rate borrowings (see Note 32). In order to manage the interest rate risk arising from its floating rate borrowings, the Group has entered into interest rate swap contracts, which are used to convert floating rate borrowings into fixed rate borrowings. The management monitors the interest rate risk arising from its floating rate borrowings and will consider further hedging if necessary (see Note 30). The management uses the following methods to manage interest rate risk:

The Group is exposed to interest rate risk arising from its fixed rate borrowings (see Note 32). The management monitors the interest rate risk arising from its fixed rate borrowings and will consider further hedging if necessary.

The Group is exposed to interest rate risk arising from its cash and cash equivalents. The management monitors the interest rate risk arising from its cash and cash equivalents and will consider further hedging if necessary.

6b. 財務風險管理目標及政策(續)

市場風險(續)

利率風險

本集團就浮息銀行借貸承擔現金流量利率風險(該等借貸詳情見附註32)。就該等浮息借貸而言,本集團致力將若干借貸利率保持穩定。為達致此目的,本集團訂立利率掉期安排,以對沖因浮息變動而產生之現金流量潛在變動(詳情見附註30)。管理層持續監控利率波動,並將於有需要時考慮進一步對沖利率風險。

本集團須承受由定息銀行借貸所產生之公平值利率風險(該等借貸詳情見附註32)。管理層監控利率風險,如預期出現重大利率風險,本集團將考慮償還定息銀行借貸。

由於適用於銀行結餘之現行市場利率波動,本集團之銀行結餘具現金流量利率風險。董事認為,由於計息銀行結餘之到期期間較短,故本集團短期銀行存款所承受之利率風險並不重大。

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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Interest rate (continued)

Sensitivity analysis

The following table shows the sensitivity of the Group's profit before tax to changes in interest rates. The analysis is based on the Group's financial position at the end of the reporting period. The analysis is based on the Group's financial position at the end of the reporting period. The analysis is based on the Group's financial position at the end of the reporting period.

Interest rate sensitivity analysis for the year ended 31 December 2007. The analysis is based on the Group's financial position at the end of the reporting period. The analysis is based on the Group's financial position at the end of the reporting period. The analysis is based on the Group's financial position at the end of the reporting period.

31 December 2007 HK\$18,277,000
 (2006: HK\$3,562)

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

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

6. FINANCIAL INSTRUMENTS (continued)

6. 金融工具(續)

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

6b

Liquidity risk

The management monitors the liquidity risk, the Group's ability to meet its financial obligations as they fall due. The Group's primary sources of liquidity are the cash and cash equivalents, and the Group's bank borrowings. The management monitors the liquidity risk by reviewing the cash flow forecasts and the Group's financial position. The management also monitors the liquidity risk by reviewing the Group's financial position.

The Group's primary sources of liquidity are the cash and cash equivalents. As at 31 December 2007, the Group's cash and cash equivalents were HK\$8,968,937,000 (2006: HK\$5,083,919,000).

The Group's primary sources of liquidity are the cash and cash equivalents. The Group's primary sources of liquidity are the cash and cash equivalents. The Group's primary sources of liquidity are the cash and cash equivalents. The Group's primary sources of liquidity are the cash and cash equivalents.

The Group's primary sources of liquidity are the cash and cash equivalents. The Group's primary sources of liquidity are the cash and cash equivalents. The Group's primary sources of liquidity are the cash and cash equivalents.

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

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

6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk (continued)

流動資金及利率風險表(續)

6. 金融工具(續)

6b. 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表(續)

At 31 December 2006	於二零零六年十二月三十一日	加權平均 實際利率 %	Three months or less		Over three months		Non-current	Carrying amount
			But not exceeding one year	Over one year	But not exceeding five years	Over five years		
Trade and other receivables	貿易及其他應付賬款		2,067,364	324,748		2,392,112	2,392,112	
Trade payables	應付票據		653,608			653,608	653,608	
Bank loans	銀行貸款	5.2	658,651	685,463	5,002,697	6,346,811	5,382,644	
			3,379,623	1,010,211	5,002,697	9,392,531	8,428,364	
Derivative - net settlement	衍生工具 - 結算淨額							
Foreign exchange contracts	外匯遠期合約		34	167		201	195	



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 printed circuit boards, copper clad boards, chemical products and other (Note 1).

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 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 main business segments are copper clad boards, PCBs, chemical products and other (Note 1).

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 information					
其他資料					
Capital additions	1,515,028	756,006	2,623,316	1,233,569	6,127,919
資本增添					
Depreciation and amortisation	492,876	440,737	178,045	58,705	1,170,363
折舊及攤銷					
Impairment losses on trade 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	Eliminations 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						
Summary	分部業績	1,807,375	686,182	342,027	80,248		2,915,832
Gain on disposal of subsidiaries and interests in subsidiaries	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
Discount on acquisition of subsidiary	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)

	Lim 3	PCB 3	Chem 3	Other C 3	
	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

Geographical segments

The Group's operations are primarily conducted in Hong Kong, the PRC and the US. The Group's operations in Hong Kong, the PRC and the US are as follows:

	2007 二零零七年	2006 二零零六年
Revenue	1,000,000	1,000,000
Cost of sales	(500,000)	(500,000)
Operating profit	500,000	500,000
Finance income	100,000	100,000
Finance expense	(50,000)	(50,000)
Income tax expense	(100,000)	(100,000)
Share of profit of associates	100,000	100,000
Profit before income tax	650,000	650,000
Income tax expense	(150,000)	(150,000)
Profit after income tax	500,000	500,000

2007
二零零七年
HK\$'000

2006
二零零六年
HK\$'000

千港元

Revenue	1,000,000
Cost of sales	(500,000)
Operating profit	500,000
Finance income	100,000
Finance expense	(50,000)
Income tax expense	(100,000)
Share of profit of associates	100,000
Profit before income tax	650,000
Income tax expense	(150,000)
Profit after income tax	500,000



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 issued 675,000,000 shares of ordinary shares of HK\$0.10 each (the "Shares") through the Company's wholly owned subsidiary, Kowloon Television Limited ("KLHL"). The Group issued 675,000,000 shares of KLHL ordinary shares at a price 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
<p> 應付稅項 香港利得稅 本年度之稅項支出 過往年度超額撥備 </p>	<p> 稅項包括： 香港利得稅 本年度之稅項支出 過往年度超額撥備 </p>	<p> 94,330 (4,558) </p>	<p> 16,310 (8,433) </p>
		89,772	7,877
<p> 其他司法權區之稅項 本年度之稅項支出 過往年度(超額撥備) 撥備不足 </p>	<p> 其他司法權區之稅項 本年度之稅項支出 過往年度(超額撥備) 撥備不足 </p>	<p> 167,258 (3,544) </p>	<p> 246,190 4,404 </p>
		163,714	250,594
<p> 遞延稅項(附註33) 本年度撥回 稅率變動之影響 </p>	<p> 遞延稅項(附註33) 本年度撥回 稅率變動之影響 </p>	<p> (9,622) 1,166 </p>	<p> (18,036) (18,036) </p>
		(8,456)	(18,036)
		245,030	240,435

香港利得稅之估計撥備率為17.5%。此項撥備率乃根據本公司之估計應課稅溢利而釐定。

本公司之應付稅項包括：

於2007年12月16日，中國人民共和國(「中國」)之全國人民代表大會常務委員會(「全國人大常委會」)通過了《中華人民共和國所得稅法》(「新法」)及《中華人民共和國所得稅法實施條例》(「新條例」)。新法及新條例自2008年1月1日起生效。新法及新條例對中國境內及境外的所得稅徵收作出了重大修改。本公司之應付稅項將受新法及新條例之影響。本公司正密切關注新法及新條例之發展，並正與稅務顧問合作，以評估新法及新條例對本公司之影響。本公司之應付稅項將根據新法及新條例之規定而作出調整。

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

13. INCOME TAX EXPENSE (continued)

除稅前溢利

	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		



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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

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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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 and 2006
 are set out in the Consolidated Financial Statements
 for the year ended 31 December 2007 and 2006 (2006:
) of the Corporation. The amounts are in
 million Hong Kong dollars ('HK\$ million').

	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 provided to employees	2,300	Nil

Notes to the Consolidated Financial Statements 綜合財務報表附註
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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 31 December 2007

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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
Increases	添置	1,084,477
Transfers from other assets	轉撥自物業、廠房及設備	
Transfers to other assets	(附註)	68,137
Decreases	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 above changes in fair value of other assets are attributable to the revaluation of the property, plant and equipment of the subsidiaries of the Group, including M & A Chu, Ch & A Chu, and the subsidiaries of the Group.

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 above changes in fair value of other assets at 31 December 2006 have been determined by M & A Chu, B.I. A & Lm, and the subsidiaries of the Group. At 31 December 2007, the fair value of other assets of the subsidiaries of the Group, including M & A Chu, Ch & A Chu, and the subsidiaries of the Group, M & A Chu, B.I. A & Lm, Chu, Ch & A Chu, and the subsidiaries of the Group, has been determined by M & A Chu, B.I. A & Lm, Chu, Ch & A Chu, and the subsidiaries of the Group.

All the above changes in fair value of other assets are attributable to the revaluation of the property, plant and equipment of the subsidiaries of 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

		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 measurement of the amount of the property, plant and equipment is based on the following assumptions:

Freehold	100%
Buildings	100%
Leasehold premises	100%
Plant and machinery	100%
Furniture, fixtures and equipment	100%
Motor vehicles	100%

20. PREPAID LEASE PAYMENTS

All prepaid lease payments are measured at cost in Hong Kong dollars.

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

就報告分析如下：
流動資產
非流動資產



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

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

		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 (see Note 37)	收購附屬公司產生(見附註37)	48,621
Acquired subsidiaries' additional equity interests (see Note 37)	收購附屬公司額外權益產生(附註)	9,544
At 31 December 2006 and 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 (see Note 37)	收購附屬公司產生(見附註37)	238
Acquired subsidiaries' additional equity interests (see 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 difference between the purchase price and the fair value of the identifiable intangible assets acquired. The fair value of the identifiable intangible assets is determined by reference to the fair value of the net assets of the subsidiaries 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。

Prudence is maintained in the valuation of goodwill. The carrying amount of goodwill is reviewed at the end of each reporting period to determine whether there is any indication that the carrying amount may not be recoverable. If such an indication exists, the carrying amount of goodwill is tested for impairment and the carrying amount is reduced to the recoverable amount. The impairment loss is recognized in the consolidated income statement.

As at 31 December 2007, the Group's goodwill is primarily attributable to the acquisition of the additional equity interests of the subsidiaries of the F&H Group (CGI) and PCB 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

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

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

22. INVESTMENTS IN ASSOCIATES (continued)

During the year ended 31 December 2007, the Group acquired an additional 740,518,325 shares of G-Praxair, which represents 36.51% of the total shares of G-Praxair. The acquisition was completed on 31 December 2007. The total consideration for the acquisition was HK\$119,964,000. Details are set out in Note 24.

The Group's 25% interest in 實友化工(揚州)有限公司 (Siyu Chemical (Yangzhou) Co., Ltd.) is measured at HK\$213,045,000 as at 31 December 2007.

In addition, during the year ended 31 December 2007, the Group has acquired an additional 25.04% interest in 實友化工(揚州)有限公司. The Group's total interest in 實友化工(揚州)有限公司 is 51.15%. The Group's investment in 實友化工(揚州)有限公司 is measured at HK\$23,658,000 as at 31 December 2007. The Group's investment in 實友化工(揚州)有限公司 is measured at HK\$152,820,000 (2006: N/A) as at 31 December 2007. The Group's investment in 實友化工(揚州)有限公司 is measured at HK\$152,820,000 (2006: N/A) as at 31 December 2007.

The Group's investment in 實友化工(揚州)有限公司 is measured at HK\$152,820,000 (2006: N/A) as at 31 December 2007. The Group's investment in 實友化工(揚州)有限公司 is measured 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

		HK\$'000 千港元
A 1 J u r 2006, 31 D e 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	
A r s e u s e s s e s	收購聯營公司引起	152,820
A 31 D e 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
<p>上市投資：</p> <ul style="list-style-type: none"> - 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% 4.62 	<p>544,332</p>	<p>230,206</p>

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 convertible preference shares with a nominal value of HK\$108,000,000 in G-Pré convertible preference shares. The convertible preference shares have a nominal value of HK\$108,000,000 and are convertible into ordinary shares of the Group at the option of the holder of the convertible preference shares at any time prior to 24 October 2010. The convertible preference shares are convertible into ordinary shares of the Group at the option of the holder of the convertible preference shares at any time prior to 24 October 2010. The convertible preference shares are convertible into ordinary shares of the Group at the option of the holder of the convertible preference shares at any time prior to 24 October 2010.

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贖券，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）止任何時間隨時贖回。 Q7qP™A

The convertible preference shares are convertible into ordinary shares of the Group at the option of the holder of the convertible preference shares at any time prior to 24 October 2010. The convertible preference shares are convertible into ordinary shares of the Group at the option of the holder of the convertible preference shares at any time prior to 24 October 2010.

The convertible preference shares are convertible into ordinary shares of the Group at the option of the holder of the convertible preference shares at any time prior to 24 October 2010. The convertible preference shares are convertible into ordinary shares of the Group at the option of the holder of the convertible preference shares at any time prior to 24 October 2010.

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)

共同控制實體之權益
 本集團於二零零七年十二月三十一日止年度
 共同控制實體之權益

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
資產總值	79,183	95,889
負債總值	(108,945)	(123,509)
負債淨額	(29,762)	(27,620)
本集團應佔共同控制 實體負債淨額	(14,881)	(13,811)
營業額	32,430	94,649
本年度虧損	(2,140)	(3,509)
年內本集團應佔共同 控制實體虧損	(1,070)	(1,755)

26. NON-CURRENT DEPOSITS

非流動訂金
 本集團於二零零七年十二月三十一日止年度
 非流動訂金之詳情如下：
 本集團於二零零七年十二月三十一日止年度
 非流動訂金之詳情如下：
 本集團於二零零七年十二月三十一日止年度
 非流動訂金之詳情如下：

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
Acquisition of subsidiary company	收購一間附屬公司 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



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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)

Trade and other receivables and prepayments (continued)

Balance at the beginning of the year

1,000,000

Less: impairment losses

(100,000)

Balance at the end of the year

900,000

Trade receivables

87% (2006: 89%)

Other receivables and prepayments

130,000

Impairment losses

(100,000)

Impairment losses

(100,000)

Impairment losses

(100,000)

Impairment losses

(100,000)

Impairment losses

(100,000)

Impairment losses

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Impairment losses

(100,000)

Impairment losses

(100,000)

Impairment losses

(100,000)

Impairment losses

(100,000)

Impairment losses

(100,000)



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 denominated in Japanese yen, US dollars, Hong Kong dollars, and other currencies. The carrying amount of receivables is measured at amortised cost less impairment losses. The Group's receivables are classified as follows:

As at 31 December 2007, the carrying amount of receivables is 22()-22()-22J0 -41ETBT 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

29. OTHER FINANCIAL ASSETS (continued)

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

29. 其他財務資產(續)

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

	2007 二零零七年 Amount 金額 '000 千元	2006 二零零六年 Amount 金額 '000 千元
美元	230,494	136,119

Bank balances and cash

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%)計息。

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%)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。

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 used interest rate swap contracts to hedge the interest rate risk of its borrowings in Hong Kong dollars. The interest rate swap contracts are entered into with a view to reducing the interest rate risk of the Group's borrowings. The interest rate swap contracts are entered into with a view to reducing the interest rate risk of the Group's borrowings. The interest rate swap contracts are entered into with a view to reducing the interest rate risk of the Group's borrowings.

During the year ended 31 December 2006, the Group's interest rate swap contracts have a notional amount of HK\$73,370,000 (2007: Nil).

In December 2006, the Group entered into an interest rate swap contract with a notional amount of HK\$43,823,000. The interest rate swap contract is entered into with a view to reducing the interest rate risk of the Group's borrowings. The interest rate swap contract is entered into with a view to reducing the interest rate risk of the Group's borrowings. The interest rate swap contract is entered into with a view to reducing the interest rate risk of the Group's 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，已計入對沖儲備中約43,823,000港元之結餘已於截至抵銷煩瑣之電控變非。



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



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

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

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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 2007 截至二零零七年十二月三十一日止年度

32. BANK BORROWINGS

概	玆蠖鞣掙圻闈菹脍銖蒺蠖鞣鞣鞣鞣鞣 菱込楨闈菹菹舖 多 - 醫鯨头蚶脾
	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：

Deferred tax liabilities	Deferred tax assets
遞延稅項負債	遞延稅項資產

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
29,165	36,323
(21,994)	(19,499)
7,171	16,824

At 31 December 2007, the Group has deferred tax liabilities of HK\$9,303,000 (2006: HK\$9,678,000) and deferred tax assets of HK\$23,090,000 (2006: HK\$14,580,000). The Group has not recognized deferred tax assets of HK\$20,085,000 (2006: HK\$6,258,000). A

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		Share capital	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
				HK\$'000	HK\$'000
				千港元	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 warrants (Note 36)	行使認股權證之認購權利 (附註36)	-	42,731,885	-	4,273
At the end of the year	於年終	838,099,046	832,799,046	83,810	83,280



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) Employees' share option scheme of the Company

The Company's share option scheme (the "Scheme") was established on 2 July 2002, to provide an incentive and reward to the employees of the Company and to attract and retain employees of the Company. The Scheme is administered by the Board of Directors (the "Board") of the Company. The Scheme is subject to the terms and conditions set out in the Scheme Rules (the "Scheme Rules") which are available to all employees of the Company. The Scheme Rules are available to all employees of the Company. The Scheme Rules are available to all employees of the Company. The Scheme Rules are available to all employees of the Company.

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)-620t-620i88Omm0.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 was implemented in 2002. The purpose of the Scheme is to provide an incentive and reward to the employees of EEIC who are committed to the long-term success of the Group.

The 2002 Scheme, which is administered by the EEIC (the "Committee") is a discretionary share option scheme. The Committee has the authority to grant options to the employees of EEIC who are committed to the long-term success of the Group.

The 2002 Scheme is subject to the terms and conditions set out in the Scheme Rules. The Committee has the authority to grant options to the employees of EEIC who are committed to the long-term success of the Group.

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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 the 2002 Share Option Scheme of EEIC which was exercised during the year ended 31 December 2007 is 10% of the total number of shares in issue of EEIC as at 31 December 2007.

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 Group has a share option scheme for the employees of EEIC (the "EEIC Scheme"). The EEIC Scheme was approved by the shareholders of EEIC on 12 December 2006. The maximum number of shares that may be issued under the EEIC Scheme is 10,000,000. The EEIC Scheme is subject to the approval of the shareholders of EEIC.

The Group has granted 4,448,000 shares under the EEIC Scheme on 31 December 2007 (2006: HK\$6,717,000) to the employees of EEIC.

(c) Employees' share option scheme of KLHL

The Group has a share option scheme for the employees of KLHL (the "KLHL Scheme").

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

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

35. SHARE OPTIONS (continued)

(c) Employees' share option scheme of KLHL (continued)

The scheme was established on 28 September 2006 to enable the company to attract and retain key personnel. The scheme is administered by KLHL. The scheme is subject to the terms and conditions set out in the scheme rules. The scheme is subject to the approval of the shareholders of KLHL. The scheme is subject to the approval of the shareholders of KLHL. The scheme is subject to the approval of the shareholders of KLHL.

The maximum number of shares that may be issued under the KLHL Share Option Scheme is 10% of the total number of shares in issue of KLHL. The maximum number of shares that may be issued under the KLHL Share Option Scheme is 10% of the total number of shares in issue of KLHL.

The maximum number of shares that may be issued under the KLHL Share Option Scheme is 30% of the total number of shares in issue of KLHL.

35. 優先購股權 (續)

(c) 建滔積層板僱員優先購股權計劃 (續)

參與人士可於獲提呈授出優先購股權之日起計28天內，透過支付代價1港元接納優先購股權。優先購股權可於建滔積層板董事釐定及通知各承授人之期間內隨時行使，倘無釐定有關期間，則由優先購股權授出建議獲接納之日開始，並於任何情況下不遲於優先購股權授出日期起計十年之日為止，惟須受建滔積層板優先購股權計劃之提早終止條文所限。建滔積層板董事可全權酌情向參與人士訂定授出行使優先購股權之條件，行使優先購股權前必須持有之最短期間，任何須予達成之表現目標及任何其他須予達成之條件。

根據建滔積層板優先購股權計劃及建滔積層板任何其他優先購股權計劃授出之所有優先購股權(就此而言不包括按照建滔積層板優先購股權計劃及建滔積層板任何其他優先購股權計劃之條款已失效之優先購股權)獲行使時可予發行之建滔積層板股份總數，合共不得超過建滔積層板於批准該計劃當日已發行股份總數之10%。

根據建滔積層板優先購股權計劃及建滔積層板任何其他優先購股權計劃所有授出而尚未行使及有待行使之優先購股權獲行使時可予發行之建滔積層板股份數目，最多不得超過建滔積層板不時之已發行股本30%。

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

(1) In April 2007, the Group acquired 51% ownership of Jiangxi Hongfeng Rubber Co., Ltd. (the "Acquiree"), a company incorporated in the People's Republic of China. The acquisition was completed on 20 April 2007. The Group's investment in the Acquiree is accounted for as an acquisition. The carrying amount of the investment in the Acquiree is HK\$238,000.

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

The following table shows the carrying amount of the investment in the Acquiree at the acquisition date:

收購所購入之資產淨值及所產生之商譽如下：

	Acquiree's carrying amount before combination and fair value	
	被收購方於合併前之賬面值及公平值	
	HK\$'000	
	千港元	
Net assets acquired:	購入資產淨值：	
Property, plant and equipment	物業、廠房及設備	37,153
Prepaid lease payments	預付租賃款項	2,076
Inventory	存貨	140
Trade receivables	貿易及其他應收賬款及預付款項	1,212
Bank balances and cash	銀行結餘及現金	363
Trade payables	貿易及其他應付賬款	(934)
		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 on acquisition:	收購產生之現金流出淨額：	
Cash consideration	已付現金代價	20,643
Bank balances and cash	購入銀行結餘及現金	(363)
Net cash outflow on acquisition	收購附屬公司之現金及現金等值項目流出淨額	20,280

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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% of the shares of Smar Finance (H.K.) Limited, a company registered 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

37. ACQUISITIONS OF SUBSIDIARIES (continued)

() (continued)

The acquisition of the subsidiary
 ...
 ... PCB ...

The acquisition of the subsidiary
 ...
 ... HK\$201,175,000
 ... HK\$2,745,000
 ...
 ... 31 December 2006.

The acquisition of the subsidiary
 ...
 ... 1 July 2006, ...
 ... HK\$17,017,427,000, ...
 ... HK\$7,390,219,000. The
 ...
 ...
 ...
 ... 1 July 2006, ...
 ...

37. 收購附屬公司(續)

() (續)

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

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

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

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

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

39. OPERATING LEASES (continued)

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

39. 經營租約 (續)

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

	Premises 物業		Plant and machinery 廠房及機器	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short-term lease contracts	7,565	14,186	20	617
Lease contracts with terms between one year and five years	6,287	8,632	30	
Lease contracts with terms exceeding five years	26,315	24,310	66	
	40,167	47,128	116	617

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The Group's operating lease income		
Revenue from operating lease contracts		
Less: Depreciation of leased assets		
Operating lease income		
HK\$157,000 (2006: HK\$120,000)		
由本集團出租：		
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

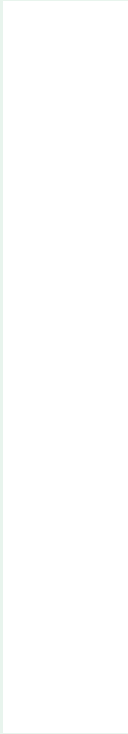
Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid share capital/ registered capital	Proportion of the ownership interest held by the Group
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Notes to the Consolidated Financial Statements 綜合財務報表附註
 For the year 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)

Place of incorporation	Actual Text	Reference
		0009005000-BDC (T)JdG1.0JEMC 1.TJEMC (arort)ionf



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

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

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 二零零七年 %	2006 二零零六年 %	
Th Sh (F) Cr v Lm	PRC ¹ 中國 ¹	HK\$135,000,000 135,00	63	63	M u ur

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	●\$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	●\$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	●\$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 (G u 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	●\$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 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

於二零零六年十二月三十一日，本公司之可供出售金融資產總額為港幣38,392,000元（二零零六年十二月三十一日：港幣120,347,000元）。

Compensation of key management personnel

The remuneration of the directors and key management personnel is set out below:

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short-term benefits 短期福利	209,851	189,711
Post-employment benefits 退休後福利	1,735	1,415
Share-based payments 以股份形式付款	2,776	5,100
	214,362	196,226

The remuneration of the directors and key management personnel is disclosed in the remuneration report on pages 113 to 116.

Substantially all the shares of the Company issued on 31 December 2007, the Group's issued share capital of 740,518,325 ordinary shares (G-Preference Shares) and the Company's issued share capital of 1,000,000,000 ordinary shares (M-Preference Shares) are held by the Company's Executive Director, Mr. Chan Shing-choi, Chairman of the Board of Directors, and the Company's Executive Director, Mr. Chan Shing-choi, Chairman of the Board of Directors, respectively. HK\$120,777,000.



建滔化工集團

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