

# KB

## KINGBOARD CHEMICAL HOLDINGS LIMITED 建滔化工集團#

(Stock Code: 148)

### ANNUAL RESULTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

#### FINANCIAL HIGHLIGHTS

	F 2011	F 2010	Change
Revenue	36,559.1	33,891.5	+8%
EBI/DA*	6,123.8	7,373.1	-17%
Operating Profit*	3,627.3	5,010.0	-28%
Net Profit attributable to shareholders	2,583.5	3,509.0	-26%
Basic earnings per share	2,594.2	3,620.8	-28%
Basic operating profit per share	HK\$3.026	HK\$4.146	-27%
Basic earnings per share	HK\$3.039	HK\$4.278	-29%
Dividend per share	HK\$65.0	HK\$110.0	-41%
Interim dividend per share	HK\$40.0	HK\$50.0	-20%
Final dividend per share	HK\$25.0	HK\$60.0	-58%
Dividend payout ratio	21%	26%	
Net assets attributable to shareholders	HK\$32.8	HK\$30.3	+8%
Net assets per share	40%	23%	

2011  
 2010

**CONSOLIDATED INCOME STATEMENT**

	2011	2010
Revenue	36,559,072	33,891,522
Cost of sales	<u>(30,736,317)</u>	<u>(26,900,920)</u>
Gross profit	5,822,755	6,990,602
Operating expenses	829,564	193,389
Depreciation and amortization	(903,585)	(856,950)
Administrative expenses	(1,468,680)	(1,346,513)
Loss on disposal of property, plant and equipment	(30,161)	296,012
Share of profit of associates	(236,099)	-
Interest income	(136,738)	-
Interest expense	(83,878)	-
Gain on disposal of financial assets	34,592	-
Finance costs	(361,881)	(304,040)
Share of profit of joint ventures	254,823	200,873
Share of profit of subsidiaries	<u>(1,075)</u>	<u>(7,035)</u>
Profit before income tax	3,719,637	5,166,338
Income tax expense	<u>(513,061)</u>	<u>(516,221)</u>
Profit after income tax	<u>3,206,576</u>	<u>4,650,117</u>
Profit after income tax attributable to equity holders of the Company	2,594,142	3,620,818
Non-controlling interests	<u>612,434</u>	<u>1,029,299</u>
	<u>3,206,576</u>	<u>4,650,117</u>
Exchange differences on translation of foreign operations	HK\$3.039	HK\$4.278
Dividend income	<u>HK\$3.031</u>	<u>HK\$4.236</u>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>2011</b>	<b>2010</b>
<b>Non-current assets</b>		
Investments	3,505,610	2,130,210
Property, plant and equipment	18,357,984	17,574,362
Other non-current assets	947,807	919,313
Goodwill	712,707	-
Intangible assets	2,288,149	2,288,149
Deferred tax assets	746,359	564,447
Other non-current assets	972,883	-
Available-for-sale financial assets	4,285,141	2,299,936
Other non-current assets	-	1,075
Other non-current assets	1,433,910	1,715,339
Other non-current assets	14,342	25,549
	<u>33,264,892</u>	<u>27,518,380</u>
<b>Current assets</b>		
Investments	2,926,128	4,023,228
Property, plant and equipment	9,227,363	4,625,399
Other current assets	8,414,105	7,958,511
Bank balances and cash	2,120,683	1,932,724
Prepaid expenses and other receivables	26,034	23,617
Other current assets	42,580	41,693
Other current assets	4,437,442	5,143,658
	<u>27,194,335</u>	<u>23,748,830</u>
<b>Current liabilities</b>		
Trade payables	5,023,154	4,368,885
Other payables	1,001,947	1,163,337
Deferred tax liabilities	1,423,679	1,061,578
Other current liabilities	13,761	47,070
Trade receivables	660,536	591,764
Other current liabilities	6,723,757	5,241,974
	<u>14,846,834</u>	<u>12,474,608</u>
<b>Net assets</b>	<u>12,347,501</u>	<u>11,274,222</u>
<b>Total assets</b>	<u>45,612,393</u>	<u>38,792,602</u>

	<b>2011</b>	<b>2010</b>
N		
D	167,194	73,378
D		50,755
B	<u>11,450,813</u>	<u>7,086,134</u>
	<u>11,618,007</u>	<u>7,210,267</u>
	<u>33,994,386</u>	<u>31,582,335</u>
C		
S	85,467	84,950
S	<u>27,959,913</u>	<u>25,685,224</u>
E	28,045,380	25,770,174
N	<u>5,949,006</u>	<u>5,812,161</u>
T	<u>33,994,386</u>	<u>31,582,335</u>

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (HKFRS)

HKFRS (HKICPA-)

HKFRS 2010  
 HKAS 24 (2009)  
 HKAS 32  
 HK(IFRIC) I 14  
 HK(IFRIC) I 19

HKFRS

HKFRS

HKFRS 7  
 HKFRS 9

Off  
 HKFRS 9

HKFRS 9  
 HKFRS 10  
 HKFRS 11  
 HKFRS 12  
 HKFRS 13  
 HKAS 1  
 HKAS 12  
 HKAS 19 (2011)  
 HKAS 27 (2011)  
 HKAS 28 (2011)  
 HKAS 32  
 HK(IFRIC) I 20

F  
 C  
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 D  
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 D  
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- 1 Eff f 1 J 2011.
- 2 Eff f 1 J 2013.
- 3 Eff f 1 J 2015.
- 4 Eff f 1 J 2012.
- 5 Eff f 1 J 2012.
- 6 Eff f 1 J 2014.

Amendment HKFRS 7

HKFRS 7

HKFRS 7







	Lam. at	PCB	C m a	Pr. Prt	Ot r	E m. at	C. Cat
ar 31 D m, r 2011							
S							
E	11,178,410	8,116,138	16,268,851	236,874	758,799		36,559,072
I	<u>2,661,214</u>		<u>807,853</u>		<u>11,530</u>	<u>(3,480,597)</u>	
	<u>13,839,624</u>	<u>8,116,138</u>	<u>17,076,704</u>	<u>236,874</u>	<u>770,329</u>	<u>(3,480,597)</u>	<u>36,559,072</u>
R							
S	<u>1,724,292</u>	<u>514,379</u>	<u>1,359,734</u>	<u>593,127</u>	<u>59,532</u>		4,251,064
G							34,592
H							(83,878)
L							(30,161)
S							(236,099)
							194,591
							(302,339)
F							(361,881)
S							254,823
S							(1,075)
P f f							3,719,637
I							<u>(513,061)</u>
P f f b							<u>3,206,576</u>
I							



**3. OTHER INCOME**

	<b>2011</b>	<b>2010</b>
Other income		
Dividend income	121,113	29,785
Gain on disposal of property	412,361	68,824
Interest income	85,191	55,373
Commission income	62,680	
Interest income on loans	49,488	38,639
Interest income on investments	81,582	
	<u>81,582</u>	<u>          </u>

**4. IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENTS**

During the year ended 31 December 2011, the Group incurred an impairment loss of HK\$83,878,000 (2010: HK\$1,000,000) on available-for-sale investments.

**5. FINANCE COSTS**

	<b>2011</b>	<b>2010</b>
Interest on bank borrowings	315,103	194,007
Other finance costs		7,392
	<u>315,103</u>	<u>201,399</u>
Interest on government bonds	55,219	111,774
Interest on investments	370,322	313,173
Interest on loans	(8,441)	(9,133)
	<u>361,881</u>	<u>304,040</u>

Bank borrowings were secured by pledged assets and guaranteed by the parent company. The weighted average interest rate on bank borrowings was 1.1% (2010: 1.1%).

**6. DEPRECIATION**

During the year, the Group incurred depreciation of HK\$2,134.7 million (2010: HK\$2,058.4 million) on property, plant and equipment.

7. INCOME A E PENSE

	2011	2010
<p>                     H K P f V                      C f h                      ( ) , , U                 </p>	<p>6,078</p> <hr/> <p>322</p> <hr/> <p>6,400</p>	<p>8,007</p> <hr/> <p>(1,616)</p> <hr/> <p>6,391</p>
<p>                     PRCE , I V                      C f h                 </p>	<p>399,590</p> <hr/>	<p>478,808</p> <hr/>

HK25  
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 31 D  
 C  
 2011

**9. EARNINGS PER SHARE**

	<b>2011</b>	<b>2010</b>
Earnings before income tax	2,594,142	3,620,818
Less: A C L	(103)	(1,473)
Earnings before income tax	<u>2,594,039</u>	<u>3,619,345</u>
	<b>Number of shares</b>	<b>2011</b>
	<b>2011</b>	<b>2010</b>

& Number of shares

	2011	2010
0.90	3,923,013	4,190,710
91.180	1,223,439	907,357
0.180	56,968	61,177
	<u>5,203,420</u>	<u>5,159,244</u>

As at the end of the reporting period, the Group has 90 days of cash and cash equivalents.

#### 11. TRADE AND OTHER PAYABLES AND BILLS PAYABLES

	2011	2010
0.90	2,191,413	1,658,076
91.180	592,294	347,702
0.180	184,450	191,247
	<u>2,968,157</u>	<u>2,197,025</u>

As at the end of the reporting period, the Group has 90 days of cash and cash equivalents.

#### BUSINESS REVIEW

In 2011, the Group's revenue was HK\$36,559.1 million, an increase of 26% from HK\$2,583.5 million in 2010. The Group's profit before tax was HK\$3,026 million, an increase of 8% from HK\$2,583.5 million in 2010. The Group's profit after tax was HK\$2,583.5 million, an increase of 26% from HK\$2,046.5 million in 2010. The Group's cash and cash equivalents at the end of the reporting period were HK\$5,203.4 million, an increase of 8% from HK\$4,819.8 million in 2010. The Group's total assets at the end of the reporting period were HK\$10,406.8 million, an increase of 12% from HK\$9,287.0 million in 2010. The Group's total liabilities at the end of the reporting period were HK\$5,203.4 million, an increase of 8% from HK\$4,819.8 million in 2010. The Group's net assets at the end of the reporting period were HK\$5,203.4 million, an increase of 8% from HK\$4,819.8 million in 2010.

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# LIQUIDITY AND CAPITAL RESOURCES



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A f G<sup>1</sup> f K P<sup>1</sup> f 2012.  
C<sup>1</sup> f G<sup>1</sup> f C<sup>1</sup> f  
G<sup>1</sup> f



