

購回股份及發行股份之一般授權之說明函件  
EXPLANATORY STATEMENT TO GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this document.*

香港聯合交易所有限公司對本文件之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本文件全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

*Executive Directors:*

Mr. Cheung Kwok Wing (Chairman)  
Mr. Chan Wing Kwan (Managing Director)  
  
Mr. Lum Gum Wun  
Mr. Lam Ka Po  
Mr. Cheung Kwok Keung  
Mr. Cheung Kwok Wa  
Mr. Cheung Kwong Kwan  
Mr. Cheung Kwok Ping  
Mr. Chang Wing Yiu  
Mr. Mok Cham Hung, Chadwick

*Registered Office:*

Ground Floor  
Caledonian House  
Mary Street  
P. O. Box 1043  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*執行董事：*

張國榮先生 (主席)  
陳永鋹先生  
(董事總經理)  
林根穩先生  
林家寶先生  
張國強先生  
張國華先生  
張廣軍先生  
張國平先生  
鄭永耀先生  
莫湛雄先生

*註冊辦事處：*

Ground Floor  
Caledonian House  
Mary Street  
P. O. Box 1043  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Independent Non-executive  
Directors:*

Mr. Tsao Kwang Yung, Peter, CBE, CPM  
Mr. Lau Tai Chim

*Head Office and principal  
place of business:*

5th Floor, Block K  
Valiant Industrial Centre  
2-12 Au Pui Wan Street  
Fo Tan, Shatin  
Hong Kong

*獨立非執行董事：*

曹廣榮先生, CBE, CPM  
劉大潛先生

*總辦事處及  
主要營業地點：*

香港  
沙田火炭  
坳背灣街2-12號  
威力工業中心  
五樓K座

8 April 2003

*To the shareholders*

Dear Sir or Madam,

**INTRODUCTION**

The purpose of this document is to provide you with information regarding resolutions to be proposed at the annual general meeting of Kingboard Chemical Holdings Limited ("Company") to be held on 26 May 2003 ("Annual General Meeting"). These resolutions include ordinary resolutions relating to the granting to the directors of the Company ("Directors") of general mandates for the issue of securities and the repurchase of the Company's shares up to 20% and 10% respectively of the Company's issued share capital as at the date of the resolutions.

此致列位股東 台照

敬啟者：

**緒言**

本文件旨在向閣下提供有關擬於二零零三年五月二十六日舉行之建滔化工集團(「本公司」)股東週年大會(「股東週年大會」)上提呈之決議案之資料。此等決議案包括涉及授予本公司董事(「董事」)發行證券及購回本公司股份(上限分別為佔本公司於決議案日期之已發行股本20%及10%)之普通決議案。

# 購回股份及發行股份之一般授權之說明函件

## EXPLANATORY STATEMENT TO GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES

### GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 28 August 2002, ordinary resolutions were passed granting a general mandate authorising the Directors to allot, issue and deal with securities of the Company not exceeding 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at that date (“Existing Issue Mandate”) and a general mandate authorising the Directors to repurchase securities of the Company not exceeding 10 per cent. of the issued share capital, or the relevant class of securities, of the Company as at that date (“Existing Repurchase Mandate”).

The Existing Issue Mandate and the Existing Repurchase Mandate will expire upon the conclusion of the Annual General Meeting.

New general mandate to allot, issue and deal with securities of the Company up to 20% and to repurchase shares up to 10% of the issued share capital of the Company as at the date of the resolutions as set out in resolutions 5A and resolutions 5B respectively will be proposed at the Annual General Meeting. With reference to the proposed new general mandates, the Directors wish to state that they have no immediate plans to issue or repurchase any new shares pursuant to the relevant mandates.

The following explanatory statement contains the particulars that are required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the proposed repurchase mandate:

### 發行證券及購回股份之一般授權

於二零零二年八月二十八日舉行之本公司股東週年大會上通過之普通決議案乃授予董事一般授權，以當日本公司已發行股本總面值之20%為上限配發、發行及處理本公司之證券（「現有發行授權」），以及以當日本公司已發行股本或有關類別證券之10%為上限購回本公司證券（「現有購回授權」）。

現有發行授權及現有購回授權將於股東週年大會結束時屆滿。

新訂之一般授權，乃以決議案當日本公司已發行股本之20%為配發、發行及處理本公司證券之上限，以及以決議案當日本公司已發行股本之10%為購回本公司證券之上限，有關內容分別列為決議案中5A之決議案及5B之決議案，並將於股東週年大會上提呈議決。就建議中之新訂一般授權，董事謹此聲明彼等並無即時計劃按有關授權發行或購回新股份。

以下說明函件載有香港聯合交易所有限公司證券上市規則（「上市規則」）要求載於說明函件之詳情，旨在令股東得以在充份瞭解情況下決定投票贊成或反對於股東週年大會上提呈有關建議購回授權之決議案。

# 購回股份及發行股份之一般授權之說明函件

## EXPLANATORY STATEMENT TO GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES

### SHARE CAPITAL

As at 2 April 2003, being the latest practicable date prior to the printing of this explanatory statement (“Latest Practicable Date”), the issued share capital of the Company comprised 542,124,347 ordinary shares of HK\$0.10 each (“Shares”). As at the same date, there are outstanding options granted under the Company’s share option scheme to subscribe for 53,000,000 Shares.

Subject to the passing of the resolution granting the proposed mandate to repurchase shares and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 54,212,434 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

### REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or earnings per shares and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### 股本

於二零零三年四月二日，即本說明函件付印前之最後可行日期（「最後可行日期」），本公司之已發行股本包括每股面值0.10港元之普通股（「股份」）542,124,347股。於同日，根據本公司優先購股權計劃授出而未行使之優先購股權可認購股份53,000,000股。

倘建議授權購回股份之決議案獲得通過，及於股東週年大會前再無發行或購回股份，本公司將可於下屆股東週年大會結束前，或法例規定本公司舉行下屆股東週年大會之日期，或股東於股東大會上通過決議案廢除或更改有關授權之日（以較早日期為準）之前，獲准購回最多54,212,434股股份。

### 購回證券之理由

董事認為股東授予一般授權，俾使本公司可在聯交所購回其股份乃符合本公司及其股東之最佳利益。此項購回可提高本公司之資產淨值及／或每股盈利，惟須視乎當時市場情況及融資安排而定，且本公司董事僅會在彼等認為該項購回事宜將有利於本公司及其股東之情況下進行。

# 購回股份及發行股份之一般授權之說明函件

## EXPLANATORY STATEMENT TO GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES

### FUNDING OF REPURCHASES

Repurchases made pursuant to the proposed mandate to repurchase shares would be funded out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the laws of the Cayman Islands.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2002, being the date to which the latest published audited accounts of the Company were made up, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it could have a material adverse impact on the working capital position and gearing position of the Company. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company as compared with the position disclosed in the latest published audited financial statements or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### 用於購回事宜之資金

根據建議購回股份授權作出之購回事宜，將根據本公司組織章程大綱與細則及開曼群島法例規定可作此用途之合法資金進行。

董事會目前無意購回任何股份，且只在彼等認為在符合本公司最佳利益及可按有利於本公司之條款購回股份之情況下，方會行使購回授權。根據於二零零二年十二月三十一日（即本公司最新經審核賬目之編製日）本公司之綜合財務狀況，董事會認為倘按現行市價全面行使購回股份之一般授權，將對本公司之營運資金或資本負債比率構成重大不利影響。倘董事會認為於當時行使購回股份之授權，將對本公司不時規定之營運資金需求（與最近刊出之經審核財務報表所披露之狀況比較）或董事認為本公司宜不時維持之負債水平構成重大不利影響，則不會建議行使有關授權。

**購回股份及發行股份之一般授權之說明函件**  
**EXPLANATORY STATEMENT TO GENERAL MANDATES TO**  
**REPURCHASE SHARES AND TO ISSUE SHARES**

**SHARE PRICE**

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the last twelve months.

**股份價格**

下表列出股份於過去十二個月每月在聯交所錄得之最高及最低成交價：

Month	月份	Shares	
		股份	
		Highest traded price	Lowest traded price
		最高成交價	最低成交價
		HK\$	HK\$
		港元	港元
<b>2002</b>	<b>二零零二年</b>		
April	四月	7.400	6.800
May	五月	8.800	7.050
June	六月	8.450	6.700
July	七月	8.300	6.200
August	八月	6.900	5.150
September	九月	6.050	4.300
October	十月	4.825	3.200
November	十一月	5.850	4.500
December	十二月	5.750	5.150
<b>2003</b>	<b>二零零三年</b>		
January	一月	6.850	5.600
February	二月	6.950	6.350
March	三月	7.500	5.850

**GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell Shares to the Company or its subsidiaries. The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed mandate to repurchase Shares in accordance with the Listing Rules and applicable laws of the Cayman Islands.

No connected persons of the Company, as defined in the Listing Rules, has notified the Company that he has a present intention to sell shares to the Company, or has undertaken not to do so.

**一般事項**

各董事（於作出一切合理查詢後，就彼等所知）或彼等之聯繫人士現時概無意出售股份予本公司或其附屬公司。董事會已向聯交所承諾，在適當之情況下，彼等將遵照上市規則及開曼群島適用法例之規定行使建議中之授權購回股份。

概無本公司之關連人士（定義見上市規則）知會本公司，表示彼現時擬向本公司出售彼等持有之任何股份，惟彼亦無承諾不會向本公司出售彼持有之任何股份。

# 購回股份及發行股份之一般授權之說明函件

## EXPLANATORY STATEMENT TO GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers ("Code"). Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Hallgain Management Limited together with Messrs. Cheung Kwok Wing, Chan Wing Kwan, Lam Ka Po, Lum Gum Wun, Cheung Kwong Kwan, Cheung Kwok Wa, Chang Wing Yiu, Cheung Kwok Ping and Cheung Kwok Keung (together, "Concert Parties"), who are persons acting in concert under the Code, are interested in approximately 43.14 per cent. of the existing issued share capital of the Company. In the event that the Directors should exercise in full the proposed mandate to repurchase Shares, the shareholding of the Concert Parties in the Company will be increased to approximately 47.93 per cent. of the issued share capital of the Company. To the best of the knowledge and belief of the Directors, such increase would give rise to an obligation to make a mandatory offer under the Code. The Directors have no present intention to repurchase shares to the extent that it will trigger the obligations under the Code to make a mandatory offer.

In the six months preceding the Latest Practicable Date, the Company has not repurchased any Shares on the Stock Exchange or otherwise.

### RECOMMENDATION

The Directors consider that the proposed granting of the general mandates to the Directors to issue and to repurchase shares are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the Annual General Meeting.

Yours faithfully,  
By Order of the Board  
**Cheung Kwok Wing**  
Chairman

Hong Kong, 8 April 2003

倘股份購回導致股東於本公司之投票權之相應權益增加，此增加將就香港公司收購及合併守則（「收購守則」）而言被視作一項收購事宜。故此，一名股東或一批行動一致之股東（視乎股東權益增加之水平）可取得或聯合取得對本公司之控制權，而須根據收購守則第26條提出強制性收購建議。

於最後可行日期，就董事深知及確信，Hallgain Management Limited 連同張國榮先生、陳永鋹先生、林家寶先生、林根穩先生、張廣軍先生、張國華先生、鄭永耀先生、張國平先生及張國強先生（統稱「一致行動人士」，根據守則被視為一致行動人士）於本公司現有已發行股本中擁有約43.14%權益。倘董事會全面行使購回股份之建議授權，一致行動人士於本公司之持股量將增至本公司已發行股本約47.93%，就董事深知及確信，該項增加將導致須根據收購守則提出強制性收購建議。董事目前無意購回股份，以致須根據收購守則履行提出強制收購建議之責任。

本公司於最後可行日期之前六個月內並無於聯交所或循其他途徑購回任何證券。

### 推薦意見

董事認為，授予董事發行及購回股份之一般授權符合本公司及股東之最佳利益。故董事建議各位股東投票贊成股東週年大會通告所載之有關決議案。

承董事會命  
主席  
**張國榮**  
謹啟

香港，二零零三年四月八日



建滔化工集團

KINGBOARD CHEMICAL HOLDINGS LIMITED

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

香港新界沙田火炭坳背灣街 2-12 號威力工業中心五樓 K 座

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

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