





RESULTS

Our operating profit (before depreciation) for the six months ended 30 June 2010 was HK\$16,401,754, compared with HK\$12,852,661 for the same period in 2009. The increase was mainly due to the increase in sales volume and the improvement in operating margin. The increase in sales volume was mainly due to the increase in sales of our main products, i.e. polypropylene and polyethylene, which were 20% and 10% respectively, compared with the same period in 2009.

Condensed Consolidated Income Statement

Description	Note	Six months ended 30 June	
		2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Sales	2	16,401,754	15,001,000
Cost of sales		(12,852,661)	(12,000,000)
Gross profit		3,549,093	2,001,000
Other income	5	147,424	1,200,000
Administrative expenses		(429,137)	(400,000)
Amortisation of intangible assets		(746,215)	(200,000)
Depreciation of property, plant and equipment		-	1,200,000
Finance income		(87,999)	(1,200,000)
Finance expenses		90,779	11,100
Share of profits of associates		(2,765)	(1,010)
Profit before income tax	6	2,521,180	1,201,000
Income tax		(200,330)	(200,000)
Profit after income tax		2,320,850	1,001,000
Profit attributable to equity holders of the Company		1,780,371	900,000
Minority interests		540,479	200,000
Profit attributable to equity holders of the Company		2,320,850	1,001,000
Basic earnings per share	8	HK\$2.108	HK\$1.100
Diluted earnings per share		HK\$2.087	HK\$1.100



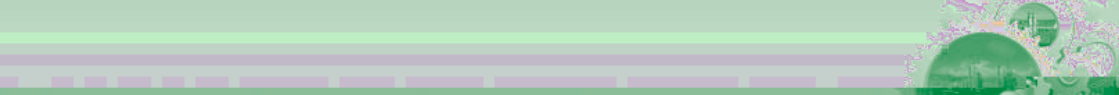
Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
	(Undistributed)	(Undistributed)
Revenue	2,320,850	1,100,000
Cost of sales	(35,760)	(100,000)
Net sales	5,065	(100,000)
Operating expenses	59,667	100,000
Operating profit	159,277	100,000
Finance income	(46,771)	100,000
Finance expenses		
Other income	219,904	200,000
Profit before income tax	361,382	210,000
Income tax	2,682,232	1,000,000
Profit after income tax	2,105,722	1,000,000
Other comprehensive income	576,510	200,000
Other comprehensive expenses		
Other comprehensive income	2,682,232	1,000,000



Condensed Consolidated Statement of Financial Position

	30 June 2010 HK\$'000 (Unaudited)	30 June 2009 HK\$'000 (Audited)
Non-current assets		
Property, plant and equipment	1,434,845	1,200,000
Intangible assets	17,587,515	1,000,000
Investments in subsidiaries	924,785	200,000
Investments in associates	2,288,149	2,200,000
Available-for-sale investments	502,376	200,000
Deferred tax assets	1,367,567	1,200,000
Other non-current assets	5,345	110
Current assets	386,418	11,000
Prepaid expenses	310	22
Other current assets	32,607	99
	<u>24,529,917</u>	<u>2,001,000</u>
Current liabilities		
Accounts payable	4,073,962	0
Accounts receivable	3,720,557	1,000
Other payables	7,714,676	2,000
Other current liabilities	1,470,717	1,200
Income tax payable	22,557	22,000
Other current liabilities	304	0
Other current liabilities	5,710	2,000
Other current liabilities	5,175,161	2,200
	<u>22,183,644</u>	<u>1,201,000</u>
Current assets		
Accounts payable	5,596,844	0
Accounts receivable	1,148,659	2,000
Other payables	-	1,000
Other current liabilities	457,946	0
Other current liabilities	3,511,969	0
	<u>10,715,418</u>	<u>3,002,000</u>
Current assets		
Accounts payable	11,468,226	3,202,000
Accounts receivable	35,998,143	2,001,000
Current assets		
Accounts payable	51,215	1,000
Accounts receivable	103,046	1,000
Other payables	8,052,670	0
Other current liabilities	8,206,931	1,000
	<u>27,791,212</u>	<u>2,002,000</u>
Current assets		
Accounts payable	84,474	0
Accounts receivable	22,935,970	21,200
Other payables	23,020,444	21,000
Other current liabilities	1,744	1,000
Other current liabilities	4,769,024	0
	<u>27,791,212</u>	<u>2,002,000</u>



Attributable to owners of the Company															Share option reserve of a subsidiary HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Goodwill reserve HK\$'000	Special surplus account HK\$'000	Statutory reserve HK\$'000	Hedging reserve HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000					
於1月1日, 2007	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2008	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2009	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2010	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2011	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2012	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2013	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2014	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2015	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2016	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2017	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2018	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2019	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2020	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2021	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2022	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2023	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2024	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2025	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2026	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2027	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2028	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2029	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2030	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2031	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2032	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2033	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2034	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2035	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2036	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2037	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2038	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2039	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2040	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2041	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2042	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2043	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2044	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2045	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2046	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2047	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2048	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2049	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2050	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2051	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2052	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2053	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2054	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2055	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2056	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2057	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2058	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2059	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2060	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2061	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2062	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2063	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2064	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2065	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2066	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2067	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2068	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2069	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2070	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2071	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2072	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2073	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2074	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2075	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2076	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2077	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2078	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2079	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2080	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2081	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2082	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2083	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2084	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2085	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2086	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2087	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2088	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2089	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2090	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2091	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月1日, 2092	1,200	1,000	10	10	10	10	(11)	11	(12)	1	1,000	1,000	1	2,000	2,000		
於1月																	



Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash generated from operations	1,340,279	1,952
Net cash used in investing activities	(1,337,165)	(1,122)
Net cash used in financing activities	(480,162)	(1)
Net change in cash and cash equivalents	(477,048)	(10)
Net cash and cash equivalents at the beginning of the period	5,652,209	22,200
Net cash and cash equivalents at the end of the period	5,175,161	20,000

Notes:

1. Basis of preparation and principal accounting policies

The condensed consolidated statement of cash flows is prepared on the basis of the accounting records maintained by the Group. The accounting records are prepared on the basis of the accounting policies set out in the accounting policy note. The accounting records are prepared on the basis of the accounting policies set out in the accounting policy note. The accounting records are prepared on the basis of the accounting policies set out in the accounting policy note.





2. Revenue

Revenue is derived from the sale of chemical products to customers. Revenue is recognized when the goods are delivered to the customer and the customer has accepted the goods. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and allowances.

	Six months ended 30 June	
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Revenue	5,283,196	5,080,180
Cost of sales	4,538,290	4,011,010
Gross profit	6,208,530	6,292,200
Net profit	371,738	281,000
	<u>16,401,754</u>	<u>15,001,000</u>

Note: A audit fee of \$2,200,000 (1 million 200 thousand) was paid to the auditor for the year ended 2009.



3. Segment information

The following table provides information about the segments of the Group:

The Group's operations are divided into four segments, namely, Laminates, PCBs, Chemicals and Others. The Group's operations are also divided into two divisions, namely, Laminates and PCBs. The Group's operations are also divided into two divisions, namely, Laminates and PCBs. The Group's operations are also divided into two divisions, namely, Laminates and PCBs.

The following table provides information about the segments of the Group:

	Laminates HK\$'000	PCBs HK\$'000	Chemicals HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
For the year ended 31 March 2010						
Revenue	5,283,196	4,538,290	6,208,530	371,738	-	16,401,754
Cost of sales	1,570,566	-	369,393	6,458	(1,946,417)	-
Gross profit	<u>6,853,762</u>	<u>4,538,290</u>	<u>6,577,923</u>	<u>378,196</u>	<u>(1,946,417)</u>	<u>16,401,754</u>
Operating expenses	<u>1,549,942</u>	<u>497,680</u>	<u>498,479</u>	<u>28,280</u>		<u>2,574,381</u>

Depreciation and amortisation	89,319
Impairment losses	(142,535)
Provision for doubtful debts	(87,999)
Provision for doubtful accounts	90,779
Provision for doubtful assets	(2,765)
Interest income	2,521,180
Interest expense	(200,330)
Other income	<u>2,320,850</u>

The following table provides information about the segments of the Group:



	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2010						
2009						
2008						
2007						
2006						
2005						
2004						
2003						
2002						
2001						
2000						
1999						
1998						
1997						
1996						
1995						
1994						
1993						
1992						
1991						
1990						
1989						
1988						
1987						
1986						
1985						
1984						
1983						
1982						
1981						
1980						
1979						
1978						
1977						
1976						
1975						
1974						
1973						
1972						
1971						
1970						
1969						
1968						
1967						
1966						
1965						
1964						
1963						
1962						
1961						
1960						
1959						
1958						
1957						
1956						
1955						
1954						
1953						
1952						
1951						
1950						
1949						
1948						
1947						
1946						
1945						
1944						
1943						
1942						
1941						
1940						
1939						
1938						
1937						
1936						
1935						
1934						
1933						
1932						
1931						
1930						
1929						
1928						
1927						
1926						
1925						
1924						
1923						
1922						
1921						
1920						
1919						
1918						
1917						
1916						
1915						
1914						
1913						
1912						
1911						
1910						
1909						
1908						
1907						
1906						
1905						
1904						
1903						
1902						
1901						
1900						
1899						
1898						
1897						
1896						
1895						
1894						
1893						
1892						
1891						
1890						
1889						
1888						
1887						
1886						
1885						
1884						
1883						
1882						
1881						
1880						
1879						
1878						
1877						
1876						
1875						
1874						
1873						
1872						
1871						
1870						
1869						
1868						
1867						
1866						
1865						
1864						
1863						
1862						
1861						
1860						
1859						
1858						
1857						
1856						
1855						
1854						
1853						
1852						
1851						
1850						
1849						
1848						
1847						
1846						
1845						
1844						
1843						
1842						
1841						
1840						
1839						
1838						
1837						
1836						
1835						
1834						
1833						
1832						
1831						
1830						
1829						
1828						
1827						
1826						
1825						
1824						
1823						
1822						
1821						
1820						
1819						
1818						
1817						
1816						
1815						
1814						
1813						
1812						
1811						
1810						
1809						
1808						
1807						
1806						
1805						
1804						
1803						
1802						
1801						
1800						
1799						
1798						
1797						
1796						
1795						
1794						
1793						
1792						
1791						
1790						
1789						
1788						
1787						
1786						
1785						
1784						
1783						
1782						
1781						
1780						
1779						
1778						
1777						
1776						
1775						
1774						
1773						
1772						
1771						
1770						
1769						
1768						
1767						
1766						
1765						
1764						
1763						
1762						
1761						
1760						
1759						
1758						
1757						
1756						
1755						
1754						
1753						
1752						
1751						
1750						
1749						
1748						
1747						
1746						
1745						
1744						
1743						
1742						
1741						
1740						
1739						
1738						
1737						
1736						
1735						
1734						
1733						
1732						
1731						
1730						
1729						
1728						
1727						
1726						
1725						
1724						
1723						
1722						
1721						
1720						
1719						
1718						
1717						
1716						
1715						
1714						
1713						
1712						
1711						
1710						
1709						
1708						
1707						
1706						
1705						
1704						
1703						
1702						
1701						
1700						
1699						
1698						



5. Other income

Six months ended 30 June

	2010 HK\$'000 (Unaudited)	2009 - HK\$'000 (Unaudited)
Dividend income	1,000	1,000
Interest income	1,000	1,000
Other income	1,000	1,000



8. Earnings per share

The following table sets out the calculation of the basic and diluted earnings per share of the Company for the periods indicated.

	Six months ended 30 June	
	2010 HK\$'000 (Undivided)	2009 HK\$'000 (Undivided)
Profit attributable to ordinary equity holders of the Company	1,780,371	9,000
Number of shares		
30 June 2010	844,739,534	1,000,000
Weighted average number of shares outstanding during the period	8,177,686	1,000,000
Basic earnings per share	852,917,220	1,000,000

The diluted earnings per share of the Company for the periods indicated is the same as the basic earnings per share as the Company has no potential dilutive securities outstanding during the periods.

9. Additions to properties, plant and equipment

During the period ended 30 June 2010, the Company has added properties, plant and equipment of \$1,000,000 (2009: \$1,000,000) to its properties, plant and equipment.

10. Trade and other receivables and prepayments and bills receivables

	30 June 2010 HK\$'000 (Undivided)	30 June 2009 HK\$'000 (Undivided)
Trade receivables	5,492,919	5,000,000
Other receivables and prepayments	2,221,757	1,000,000



2010年6月30日止120天內到期之應付票據
 2010年6月30日止120天內到期之應付票據

0.00
 91.10
 1.10

30 June
 2010
 HK\$'000
 (Unaudited)

4,617,527
 819,751
 55,641

1.10
 200-
 HK\$'000
 (Audited)

21,000-
 0,100-



A summary of the compensation of the directors and executive officers for the year ended 31st March 2012 is set out below.

	Granted to Directors	Granted to employees	Total
Short-term incentives for 2010 and 2011 (Note)	<u>\$-1,000</u>	<u>\$225,000</u>	<u>\$224,000</u>

Note: The short-term incentives for 2010 and 2011 for 2012 are nil. The short-term incentives for 2011 and 2012 are \$1,000 and \$225,000 respectively.

The long-term incentives for 2010 and 2011 are nil.

(b) Employees' share scheme of Elec & Electronics Limited (EEL)



On 20 December 2006, the Board of Directors of the Company approved the 2006 Share Option Scheme (the "Scheme") with effect from 12 December 2006. The Scheme is subject to the approval of the shareholders of the Company at the general meeting held on 24 June 2005.

The Scheme is a share option scheme for the purpose of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Securities and Futures Ordinance (Chapter 223 of the Laws of Hong Kong).

	Share option grant date		
	12 December 2006	29 September 2005	24 June 2005
Number of shares granted	— \$2.00	— \$2.00	— \$2.00
Number of shares exercised	— \$2.00	— \$2.00	— \$2.00
Number of shares outstanding	— %	21.2%	2.1%
Number of shares exercised	— %	— %	— %

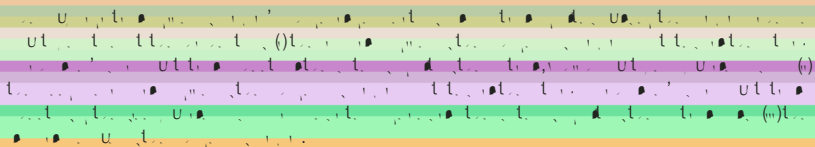
* The original bookkeeping of the share option granted on 29 September 2005 and 24 June 2005 was adjusted to US\$2.375 and US\$2.033 respectively as a result of the Board's decision.

The Scheme is a share option scheme for the purpose of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Securities and Futures Ordinance (Chapter 223 of the Laws of Hong Kong). The Scheme is subject to the approval of the shareholders of the Company at the general meeting held on 24 June 2005.

On 20 December 2006, the Board of Directors of the Company approved the 2006 Share Option Scheme (the "Scheme") with effect from 12 December 2006. The Scheme is subject to the approval of the shareholders of the Company at the general meeting held on 24 June 2005.

(c) Employees' share option scheme of Kingboard Laminate Holding Limited (KLHL)

The Scheme is a share option scheme for the purpose of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Securities and Futures Ordinance (Chapter 223 of the Laws of Hong Kong). The Scheme is subject to the approval of the shareholders of the Company at the general meeting held on 24 June 2005.



will be used to determine the U.S. portion of the
 unit's total cost. The unit's total cost is the sum of the
 unit's direct cost and the unit's indirect cost. The unit's
 direct cost is the cost of the unit's direct materials and
 direct labor. The unit's indirect cost is the cost of the
 unit's indirect materials and indirect labor. The unit's
 total cost is the sum of the unit's direct cost and the
 unit's indirect cost. The unit's total cost is 10% of the
 unit's total cost.

[illegible]

13. Warrants

On 01/01/2010, the company received a check for \$200.00 from the company's bank account. The check was deposited into the company's bank account on 01/01/2010. The check was for \$200.00 and was deposited into the company's bank account on 01/01/2010.



14. Commitments

	30 June 2010 HK\$'000 (Undeclared)	30 June 2009 HK\$'000 (Undeclared)
Contractual commitments for the purchase of property, plant and equipment	367,075	2,000

15. Related party transactions

	Six months ended 30 June	
	2010 HK\$'000 (Undeclared)	2009 HK\$'000 (Undeclared)
Transactions with related parties	177,938	1,000
Transactions with directors	19,665	2,000
Transactions with subsidiaries	—	2,000
Transactions with associates	146,297	1,000
Transactions with other related parties	58,080	—
Transactions with other related parties	166,634	—

During the period, the Company has entered into transactions with related parties, which are disclosed in the financial statements. The transactions are conducted on an arm's length basis and are in the ordinary course of business. The transactions are not necessary for the Company's operations and are not expected to have a material effect on the Company's financial position.



Financial Highlights

	Six months ended 30 June		
	2010 HK\$'milli	2009 HK\$'milli n	Change
Revenue	16,401.8	15,900.1	+ 2%
EBITDA	3,632.5	2,218.4	+ 64%
Profit before tax	2,521.2	1,211.5	+100%
Net profit attributable to shareholders	1,780.4	1,769.5	+ 1%
Basic earnings per share	HK\$2.108	\$1.1	+ 1%
Interim dividend per share	HK50.0 cents	0.0	+ 100%
Dividend payout ratio	24%	2 %	
Net asset value per share	HK\$27.3	\$27.1	+1 %
Net gearing	23%	22%	

Performance

During the first half of 2010, the Group's revenue increased by 2% compared with the same period of 2009, mainly due to the increase in sales volume of the Group's main products. The Group's EBITDA increased by 64% compared with the same period of 2009, mainly due to the increase in sales volume of the Group's main products. The Group's profit before tax increased by 100% compared with the same period of 2009, mainly due to the increase in sales volume of the Group's main products. The Group's net profit attributable to shareholders increased by 1% compared with the same period of 2009, mainly due to the increase in sales volume of the Group's main products. The Group's basic earnings per share increased by 1% compared with the same period of 2009, mainly due to the increase in sales volume of the Group's main products. The Group's interim dividend per share increased by 100% compared with the same period of 2009, mainly due to the increase in sales volume of the Group's main products. The Group's dividend payout ratio remained at 2% compared with the same period of 2009, mainly due to the increase in sales volume of the Group's main products.

The Group's net asset value per share increased by 1% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's net gearing remained at 22% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's revenue increased by 2% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's EBITDA increased by 64% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's profit before tax increased by 100% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's net profit attributable to shareholders increased by 1% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's basic earnings per share increased by 1% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's interim dividend per share increased by 100% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's dividend payout ratio remained at 2% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products.

The Group's revenue increased by 2% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's EBITDA increased by 64% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's profit before tax increased by 100% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's net profit attributable to shareholders increased by 1% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's basic earnings per share increased by 1% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's interim dividend per share increased by 100% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products. The Group's dividend payout ratio remained at 2% compared with the same period of 2010, mainly due to the increase in sales volume of the Group's main products.





Note:

(1) Under the 1,000,000 shares, 1,020,200 shares are held by the Company, 0,000 shares are held by the Company.

(2) Under the 2,000,000 shares, 2,000,000 shares are held by the Company, 200,000 shares are held by the Company.

(3) Under the 2,200,000 shares, 1,200,000 shares are held by the Company, 1,100,000 shares are held by the Company.

(b) Share Option of the Company (Share Option)

Name of Director	Capacity	Interest in underlying Shares pursuant to Share Options under the 2002 Scheme
Mr. [Name]	[Capacity]	9,000
Mr. [Name] Y.U	[Capacity]	9,000
Mr. [Name] (N e)	[Capacity]	2,200,000
Mr. [Name] U	[Capacity]	1,100,000

Note: Under the 2,200,000 shares, 1,200,000 shares are held by the Company, 1,000,000 shares are held by the Company, 1,100,000 shares are held by the Company.



(f) Ordinary share (EEIC Share) in the share capital of EEIC, a non-listed subsidiary of the Company

Name of Director	Capacity	Number of issued EEIC Shares held	Approximate percentage of the issued share capital of EEIC
Mr. [Name]	[Capacity]	1,111,200	0.2
Mr. [Name] (Nephew)	[Capacity]	1,011,200	0.2
Mr. [Name] (Nephew)	[Capacity]	911,200	0.2
Mr. [Name] (Nephew)	[Capacity]	1,120,200	0.0
Note: Total 1,011,200 shares, 1,021,200 shares, 1,120,200 shares, 1,120,200 shares			

(g) Ordinary share (KCFH Share) of US\$0.10 each in the share capital of Kingboard Chemical Holding Limited (KCFH), a non-listed subsidiary of the Company

Name of Director	Capacity	Number of issued KCFH Shares held	Approximate percentage of the issued share capital of KCFH
Mr. [Name]	[Capacity]	1,000,000	0.1
Mr. [Name] (Nephew)	[Capacity]	2,000	0.000
Mr. [Name] (Nephew)	[Capacity]	2,000	0.01



SUBSTANTIAL SHAREHOLDERS

As at 30 June 2010, the substantial shareholders of the Company are as follows:

Long position

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Nature of interest	Interest in underlying Shares pursuant to the Warrants	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
China Chemical Group Limited (the "Group") (Note)	Beneficial owner	2,980,220	2,980,220	1.11
China Chemical Group Limited	Beneficial owner	950,950	950,950	10.11
China Chemical Group Limited	Beneficial owner	1,029,270	1,029,270	10.82
China Chemical Group Limited	Beneficial owner	1,000,000	1,000,000	10.62
China Chemical Group Limited	Beneficial owner	2,980,220	2,980,220	31.54

Note: As at 30 June 2010, (i) the Group is a wholly owned subsidiary of the Company; (ii) the Group is a wholly owned subsidiary of the Company; (iii) the Group is a wholly owned subsidiary of the Company; (iv) the Group is a wholly owned subsidiary of the Company; (v) the Group is a wholly owned subsidiary of the Company.

As at 30 June 2010, the Company has no substantial shareholders other than the Group.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the period from 1 July 2009 to 30 June 2010, the Company has not purchased, sold or redeemed any of its listed securities.

AUDIT COMMITTEE

The Audit Committee is established in accordance with the Company's Memorandum of Association and Articles of Association. The Audit Committee is responsible for reviewing the Company's financial statements and the work of the external auditors. The Audit Committee is composed of three independent non-executive directors and one executive director. The Audit Committee met on 30 June 2010.



COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board of Directors of Kingboard Chemical Holdings Limited (the "Company") is pleased to announce that the Company has adopted the Code on Corporate Governance Practices (the "Code") issued by the Securities and Futures Commission (the "SFC") in October 2009. The Company has also adopted the Code on Corporate Governance Practices (the "Code") issued by the Securities and Futures Commission (the "SFC") in October 2009. The Company has also adopted the Code on Corporate Governance Practices (the "Code") issued by the Securities and Futures Commission (the "SFC") in October 2009.

The Board of Directors of Kingboard Chemical Holdings Limited (the "Company") is pleased to announce that the Company has adopted the Code on Corporate Governance Practices (the "Code") issued by the Securities and Futures Commission (the "SFC") in October 2009. The Company has also adopted the Code on Corporate Governance Practices (the "Code") issued by the Securities and Futures Commission (the "SFC") in October 2009.

Kingboard Chemical Holdings Limited
Cheung Kwok Wing
Chairman

20 August 2010

Board of Directors:

Executive Directors

- Mr. Cheung Kwok Wing (Chairman)
- Mr. Cheung Kwok Wing (Managing Director)
- Mr. Cheung Kwok Wing
- Mr. Cheung Kwok Wing
- Mr. Cheung Kwok Wing
- Mr. Cheung Kwok Wing
- Mr. Cheung Kwok Wing

Independent Non-Executive Directors

- Mr. Cheung Kwok Wing
- Mr. Cheung Kwok Wing
- Mr. Cheung Kwok Wing
- Mr. Cheung Kwok Wing