





RESULTS

During the period, (Note 1) and (Note 2) were issued by the Company. The Company's financial performance for the period ended 30 June 2010 is summarized in the Condensed Consolidated Income Statement. The Company's financial performance for the period ended 30 June 2009 is summarized in the Condensed Consolidated Income Statement for the period ended 30 June 2009.

Condensed Consolidated Income Statement

Description	Note	Six months ended 30 June	
		2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Revenue	2	16,401,754	9,001,000
Cost of sales		(12,852,661)	(8,000,000)
Gross profit		3,549,093	2,001,000
Other income	5	147,424	1,200,000
Administrative expenses		(429,137)	(2,000,000)
Amortization of intangible assets		(746,215)	(2,000,000)
Finance income		-	1,200,000
Finance expenses		(87,999)	(1,200,000)
Share of profit of associates		90,779	11,100
Share of profit of joint ventures		(2,765)	(1,010)
Profit before income tax	6	2,521,180	1,200,000
Income tax		(200,330)	(200,000)
Profit after income tax		2,320,850	1,000,000
Profit attributable to equity holders of the Company		1,780,371	900,000
Profit attributable to non-controlling interests		540,479	200,000
Profit attributable to equity holders of the Company		2,320,850	1,000,000
Profit attributable to equity holders of the Company	8	HK\$2.108	\$1.1
Profit attributable to equity holders of the Company		HK\$2.087	\$1.1



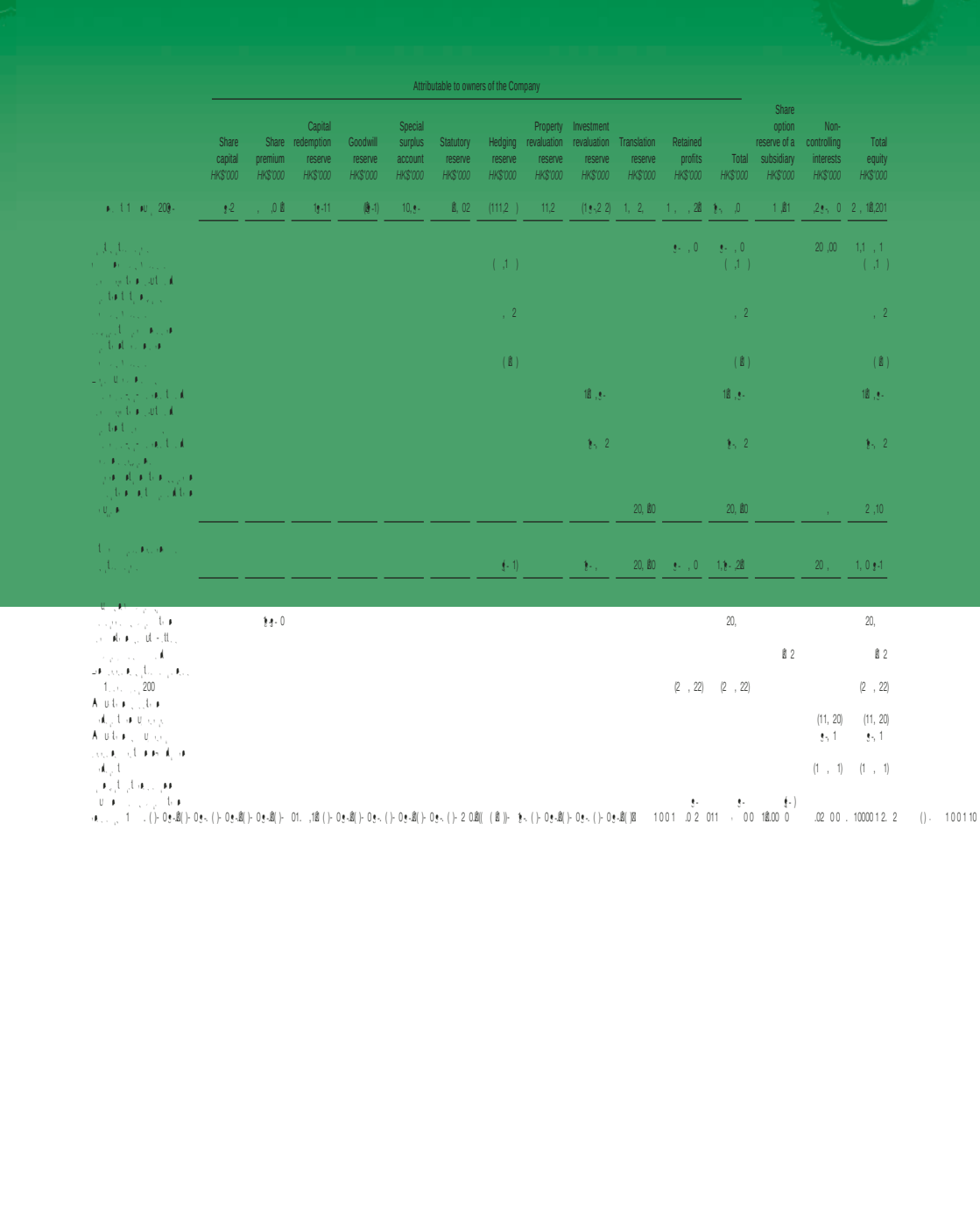
Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue	2,320,850	1,100,000
Cost of sales	(35,760)	(100,000)
Net revenue	5,065	(100,000)
Other income	59,667	100,000
Profit before income tax	159,277	100,000
Income tax expense	(46,771)	(100,000)
Profit after income tax	219,904	100,000
Other comprehensive income (net of tax)	361,382	210,000
Profit after income tax and other comprehensive income	2,682,232	1,000,000
Profit after income tax and other comprehensive income attributable to shareholders	2,105,722	1,000,000
Profit after income tax and other comprehensive income attributable to non-controlling interests	576,510	200,000
Profit after income tax and 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
Investment in subsidiaries	924,785	200,000
Investment 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
Prepaid expenses	5,345	110
Other non-current assets	386,418	11,000
Current assets	310	22
Current liabilities	32,607	330
Net assets	24,529,917	2,000,000
Equity		
Share capital	4,073,962	4,000,000
Reserves	3,720,557	1,000,000
Retained profits	7,714,676	2,000,000
Other reserves	1,470,717	1,200,000
Provisions	22,557	22,000
Deferred tax liabilities	304	0
Other non-current liabilities	5,710	2,000
Current liabilities	5,175,161	2,200,000
Total	22,183,644	1,200,000
Equity		
Share capital	5,596,844	5,000,000
Reserves	1,148,659	1,200,000
Retained profits	—	1,000,000
Other reserves	457,946	0
Provisions	3,511,969	0
Deferred tax liabilities	10,715,418	10,200,000
Current liabilities	11,468,226	10,200,000
Current assets	35,998,143	2,000,000
Non-current assets		
Property, plant and equipment	51,215	1,000
Intangible assets	103,046	1,000
Investment in subsidiaries	8,052,670	800,000
Investment in associates	8,206,931	1,000,000
Available-for-sale investments	27,791,212	2,120,000
Deferred tax assets	84,474	0
Other non-current assets	22,935,970	21,200,000
Current assets	23,020,444	21,000,000
Current liabilities	1,744	1,000
Non-current liabilities	4,769,024	0
Current liabilities	27,791,212	2,120,000

[illegible]



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	1,932
Net cash used in investing activities	(1,337,165)	(1,122,122)
Net cash used in financing activities	(480,162)	(1,122,122)
Net change in cash and cash equivalents	(477,048)	(1,122,122)
Net cash and cash equivalents at the beginning of the period	5,652,209	2,222,122
Net cash and cash equivalents at the end of the period	5,175,161	1,100,000

Notes:

1. Basis of preparation and principal accounting policies

The condensed consolidated statement of cash flows is prepared on the basis of the accounting policies set out in the consolidated financial statements. The condensed consolidated statement of cash flows is prepared on the basis of the accounting policies set out in the consolidated financial statements. The condensed consolidated statement of cash flows is prepared on the basis of the accounting policies set out in the consolidated financial statements.





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	2,922,200
Net profit	371,738	28,000
	<u>16,401,754</u>	<u>15,001,000</u>

Note: A provision of \$2,922,200 (100% of 2009) is made for doubtful debts.



3. Segment information

The following table shows the segment information for the year ended 31 December 2010:

The following table shows the segment information for the year ended 31 December 2010:

The following table shows the segment information for the year ended 31 December 2010:

	Laminates HK\$'000	PCBs HK\$'000	Chemicals HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue for the year ended 31 December 2010						
Revenue from external customers	5,283,196	4,538,290	6,208,530	371,738	-	16,401,754
Revenue from related parties	1,570,566	-	369,393	6,458	(1,946,417)	-
	<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>
Cost of sales						
Cost of sales from external customers	1,549,942	497,680	498,479	28,280	-	2,574,381

Revenue from related parties	89,319
Revenue from related parties	(142,535)
Revenue from related parties	(87,999)
Revenue from related parties	90,779
Revenue from related parties	(2,765)
Revenue from related parties	2,521,180
Revenue from related parties	(200,330)
Revenue from related parties	<u>2,320,850</u>

The following table shows the segment information for the year ended 31 December 2010:

[illegible]



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 (Undistributed)	2009 HK\$'000 (Undistributed)
Profit attributable to equity holders of the Company	1,780,371	9,000
Less: Profit attributable to non-controlling interests		
Profit attributable to equity holders of the Company	1,780,371	9,000
Number of shares		
30 June 2010	844,739,534	1,000,000
Less: Shares held by non-controlling interests	8,177,686	1,000,000
Number of shares	852,917,220	1,000,000

The diluted earnings per share of the Company for the periods indicated is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of diluted shares outstanding during the period.

9. Additions to properties, plant and equipment

During the period, 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 (Undistributed)	30 June 2009 HK\$'000 (Undistributed)
Trade receivables	5,492,919	5,000,000
Other receivables and prepayments	2,221,757	1,000,000



本公司已於2010年6月30日及2009年6月30日分別向香港證券及期貨委員會及香港聯合交易所有限公司披露有關本公司之財務資料。

0.00
 91.10
 1.10

30 June
 2010
 HK\$'000
 (Unaudited)

4,617,527
 819,751
 55,641

1.10
 2009
 HK\$'000
 (Audited)

1.10
 21,000
 0.10



A summary of the compensation of the directors and executive officers for the year ended 31st December 2010 is set out below.

	Granted to Directors	Granted to employees	Total
Short-term incentive for 2010 (Note 10) under 2010			
(Note)	<u>\$-1,000</u>	<u>\$225,000</u>	<u>\$224,000</u>

Note: The short-term incentive for 2010 is based on the performance of the company for the year ended 31st December 2010. The short-term incentive for 2011 is based on the performance of the company for the year ended 31st December 2011. The short-term incentive for 2012 is based on the performance of the company for the year ended 31st December 2012.

The short-term incentive for 2010 is based on the performance of the company for the year ended 31st December 2010.

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



On 20 September 2005, the Board of Directors of the Company approved the grant of 12,000,000 shares of the Company to the employees of the Company. The exercise price of the shares is \$1.00 and the vesting period is 3 years.

The Company has adopted the Black-Scholes model to estimate the fair value of the shares granted to the employees of the Company.

	Share option grant date		
	12 December 2006	29 September 2005	24 June 2005
Exercise price	US\$2.00	US\$2.00	US\$2.00
Exercise price	US\$2.00	US\$2.00	US\$2.00
Exercise price	21.2%	21.2%	21.2%
Exercise price	21.2%	21.2%	21.2%

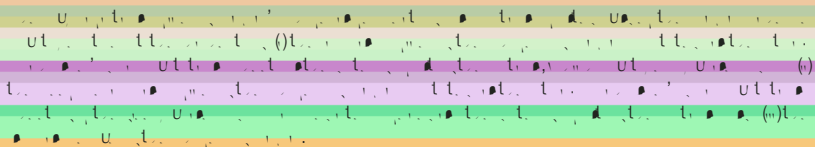
* The original book value of the shares granted on 29 September 2005 and 24 June 2005 were adjusted to US\$2.375 and US\$2.033 respectively after the Board of Directors' resolution.

The Company has adopted the Black-Scholes model to estimate the fair value of the shares granted to the employees of the Company. The exercise price of the shares is \$1.00 and the vesting period is 3 years.

On 20 September 2005, the Board of Directors of the Company approved the grant of 12,000,000 shares of the Company to the employees of the Company. The exercise price of the shares is \$1.00 and the vesting period is 3 years.

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

The Company has adopted the Black-Scholes model to estimate the fair value of the shares granted to the employees of the Company. The exercise price of the shares is \$1.00 and the vesting period is 3 years.



will be used to determine the U.S. portion of the
 unit's total cost. The U.S. portion of the unit's
 total cost is determined by multiplying the unit's
 total cost by the ratio of the U.S. portion of the
 unit's total cost to the unit's total cost. The
 U.S. portion of the unit's total cost is 10% of the
 unit's total cost.

1. If you are a U.S. citizen or permanent resident, you must be at least 18 years old and a U.S. resident for at least 12 months before you can apply for a passport.

13. Warrants

On 01/01/2010, the company's net income was \$200,000. The company's net income was \$200,000. The company's net income was \$200,000.



14. Commitments

	30 June 2010 HK\$'000 (Undeclared)	31 March 2009 HK\$'000 (Undeclared)
Contractual commitments for the purchase of property, plant and equipment	367,075	3,181

15. Related party transactions

The Group had the following transactions with related parties during the period:

	Six months ended 30 June	
	2010 HK\$'000 (Undeclared)	2009 HK\$'000 (Undeclared)
Interest income from related parties	177,938	1,111
Interest expense on related parties	19,665	2,100
Interest expense on bank loans from related parties	—	2,811
Interest expense on bank loans from related parties	146,297	1,211
Interest expense on bank loans from related parties	58,080	—
Interest expense on bank loans from related parties	166,634	—

The related party transactions for the period ended 30 June 2010 were undertaken on terms and conditions that are no less favourable to the Group than those that would have been available to the Group if the transactions had been conducted with independent parties. \$—,000 (1.12.2009, \$10,100,000)



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	1,728.5	+ 3%
Basic earnings per share	HK\$2.108	HK\$2.108	+ 1%
Interim dividend per share	HK\$0.050	HK\$0.050	+ 0%
Dividend payout ratio	24%	24%	0%
Net asset value per share	HK\$27.3	HK\$27.1	+1 %
Net gearing	23%	22%	0%

Performance

During the six months ended 30 June 2010, the Group's revenue increased by 2% to HK\$16,401.8 million from HK\$15,900.1 million in the corresponding period of 2009. The increase was mainly due to the increase in sales of chemical products, which contributed to the increase in revenue by HK\$1,200.0 million. The increase in sales of chemical products was mainly due to the increase in sales of chemical products, which contributed to the increase in revenue by HK\$1,200.0 million. The increase in sales of chemical products was mainly due to the increase in sales of chemical products, which contributed to the increase in revenue by HK\$1,200.0 million.

The Group's EBITDA increased by 64% to HK\$3,632.5 million from HK\$2,218.4 million in the corresponding period of 2009. The increase was mainly due to the increase in sales of chemical products, which contributed to the increase in EBITDA by HK\$1,400.0 million. The increase in sales of chemical products was mainly due to the increase in sales of chemical products, which contributed to the increase in EBITDA by HK\$1,400.0 million. The increase in sales of chemical products was mainly due to the increase in sales of chemical products, which contributed to the increase in EBITDA by HK\$1,400.0 million.

The Group's profit before tax increased by 100% to HK\$2,521.2 million from HK\$1,211.5 million in the corresponding period of 2009. The increase was mainly due to the increase in sales of chemical products, which contributed to the increase in profit before tax by HK\$1,300.0 million. The increase in sales of chemical products was mainly due to the increase in sales of chemical products, which contributed to the increase in profit before tax by HK\$1,300.0 million. The increase in sales of chemical products was mainly due to the increase in sales of chemical products, which contributed to the increase in profit before tax by HK\$1,300.0 million.



本公司之附屬公司，包括：(i) 中國香港之「Kingboard Chemicals Limited」，(ii) 中國香港之「Kingboard Chemicals (China) Limited」，(iii) 中國香港之「Kingboard Chemicals (Shanghai) Limited」，(iv) 中國香港之「Kingboard Chemicals (Hubei) Limited」，(v) 中國香港之「Kingboard Chemicals (Guangdong) Limited」，(vi) 中國香港之「Kingboard Chemicals (Shenzhen) Limited」，(vii) 中國香港之「Kingboard Chemicals (Beijing) Limited」，(viii) 中國香港之「Kingboard Chemicals (Tianjin) Limited」，(ix) 中國香港之「Kingboard Chemicals (Jiangsu) Limited」，(x) 中國香港之「Kingboard Chemicals (Zhejiang) Limited」，(xi) 中國香港之「Kingboard Chemicals (Anhui) Limited」，(xii) 中國香港之「Kingboard Chemicals (Henan) Limited」，(xiii) 中國香港之「Kingboard Chemicals (Shandong) Limited」，(xiv) 中國香港之「Kingboard Chemicals (Sichuan) Limited」，(xv) 中國香港之「Kingboard Chemicals (Yunnan) Limited」，(xvi) 中國香港之「Kingboard Chemicals (Gansu) Limited」，(xvii) 中國香港之「Kingboard Chemicals (Qinghai) Limited」，(xviii) 中國香港之「Kingboard Chemicals (Inner Mongolia) Limited」，(xix) 中國香港之「Kingboard Chemicals (Ningxia) Limited」，(xx) 中國香港之「Kingboard Chemicals (Shaanxi) Limited」，(xxi) 中國香港之「Kingboard Chemicals (Gua



APPRECIATION

At the end of the year, the Company's financial performance was satisfactory. The Company's financial position was strong and the Company's financial performance was satisfactory.

CLOSURE OF REGISTER OF MEMBERS AND REGISTER OF WARRANTHOLDERS

The Company's financial performance was satisfactory. The Company's financial position was strong and the Company's financial performance was satisfactory. The Company's financial performance was satisfactory. The Company's financial position was strong and the Company's financial performance was satisfactory.

DIRECTORS' INTERESTS IN SHARES

At the end of 2010, the Company's financial performance was satisfactory. The Company's financial position was strong and the Company's financial performance was satisfactory. The Company's financial performance was satisfactory. The Company's financial position was strong and the Company's financial performance was satisfactory.

Long position

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

Name of Director	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company
Mr. [Name]	Director	1,000,000	0.10
Mr. [Name] (N e 1)	Director	1,000,000	0.12
Mr. [Name]	Director	1,000,000	0.10
Mr. [Name] (N e 2)	Director	1,000,000	0.10
Mr. [Name] (N e 3)	Director	1,000,000	0.10
Mr. [Name]	Director	1,000,000	0.10



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.



Note:

- (1) 1,021,021 shares of 100,000 shares of KLHL (N e 1)
- (2) 2,000 shares of 100,000 shares of KLHL (N e 2)
- (3) 1,021,021 shares of 100,000 shares of KLHL (N e 3)

(d) Ordinary share of HK\$0.10 each (KLHL Share) in KLHL

Name of Director	Capacity	Number of issued KLHL Shares held	Approximate percentage of the issued share capital of KLHL
Mr. Yip Yiu-chung	Director	1,000	0.001
Mr. Yip Yiu-chung (N e 1)	Director	100,000	0.00
Mr. Yip Yiu-chung (N e 2)	Director	100,000	0.00
Mr. Yip Yiu-chung (N e 3)	Director	0,000	0.01
Mr. Yip Yiu-chung	Director	0,000	0.02

Note:

- (1) 100,000 shares of 100,000 shares of KLHL (N e 1)
- (2) 100,000 shares of 100,000 shares of KLHL (N e 2)
- (3) 0,000 shares of 100,000 shares of KLHL (N e 3)

(e) Non-voting deferred share of HK\$1 each in the share capital of Kingboard Laminate Limited, a non-listed subsidiary of the Company

Name of Director	Capacity	Number of non-voting deferred shares held (N e)
Mr. Yip Yiu-chung	Director	1,000,000
Mr. Yip Yiu-chung	Director	1,120,000
Mr. Yip Yiu-chung	Director	0,000
Mr. Yip Yiu-chung	Director	2,000
Mr. Yip Yiu-chung	Director	2,200

Note: The above information is for reference only. The actual number of shares held by the directors may vary due to the exercise of the rights of the directors to subscribe for shares of the Company.



(f) Ordinary share (EEIC Share) in the share capital of EEIC, announced by the Board

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: 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 Holdings Limited (KCFH), announced by the Board

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 National Petroleum Corporation (CNPC) (中國石油集團有限公司) (N/A)	Long position	2,980,220	2,980,220	1.00
China National Petroleum Corporation (CNPC) (中國石油集團有限公司)	Long position	9,900,990	9,900,990	10.00
China National Petroleum Corporation (CNPC) (中國石油集團有限公司)	Long position	1,000,000	1,000,000	1.00
China National Petroleum Corporation (CNPC) (中國石油集團有限公司)	Long position	2,980,000	2,980,000	3.00

Note: As at 30 June 2010, (i) the Company has issued 2,980,220 warrants to the substantial shareholders of the Company; and (ii) the Company has issued 9,900,990 warrants to the substantial shareholders of the Company.

As at 30 June 2010, the Company has issued 2,980,220 warrants to the substantial shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the period ended 30 June 2010, the Company has not purchased, sold or redeemed any of its listed securities.

AUDIT COMMITTEE

The Audit Committee is established to oversee the financial reporting process of the Company, to review the financial statements of the Company and to recommend to the Board of Directors the financial statements of the Company for adoption. The Audit Committee is composed of three independent non-executive directors and one executive director.



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 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. 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
- Mr. Cheung Kwok Wing

Independent Non-Executive Directors

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