R&D



RESULTS

[illegible]

Condensed Consolidated Income Statement

		Si h e ded 30 J e	
		2010	200
	N e	*HK$'000*	*HK$'000*
		(U a di ed)	*(Una di ed)*
[illegible]	*2*	16,401,754	,001,
[illegible]		(12,852,661)	(, ,)
[illegible]		3,549,093	2,02 ,
[illegible]	*5*	147,424	1 2,2
[illegible]		(429,137)	(2 ,)
[illegible]		(746,215)	(2 , 1)
[illegible]			,1 2
[illegible]		(87,999)	(,121)
[illegible]		90,779	11,1
[illegible]		(2,765)	(1,010)
[illegible]		2,521,180	1,2 1,
[illegible]	*6*	(200,330)	(, 2)
[illegible]		2,320,850	1,1 , 1 4
[illegible]			
[illegible]		1,780,371	, 0
[illegible]		540,479	20 ,00
		2,320,850	1,1 , 1 4
[illegible]	*8*		
		HK$2.108	$1.1
[illegible]		HK$2.087	$1.1

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
	2,320,850	1,1 , 14
	(35,760)	(,1)
	5,065	( )
	59,667	4, 2
	159,277	1 ,
	(46,771)	1 , 2
	219,904	24,10
	361,382	21 , 02
	2,682,232	1, 4 4, 1
	2,105,722	1,1 ,2
	576,510	20 , 4
	2,682,232	1, 4 4, 1

Condensed Consolidated Statement of Financial Position

	Note	30 June 2010 HK$'000 (Unaudited)	31 December 2009 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		1,434,845	1,422,454
Investment properties	9	17,587,515	17,414,454
Prepaid lease payments		924,785	924,720
Intangible assets		2,288,149	2,282,114
Interests in associates		502,376	494,761
Interests in jointly controlled entities		1,367,567	1,320,765
Available-for-sale investments		5,345	5,110
Deferred tax assets		386,418	411,686
Derivative financial instruments		310	322
Other non-current assets		32,607	30,454
		24,529,917	24,410,831
Current assets			
Inventories		4,073,962	3,944,750
Trade and other receivables		3,720,557	3,610,050
Amounts due from jointly controlled entities	10	7,714,676	7,282,452
Amounts due from associates	10	1,470,717	1,412,681
Prepaid lease payments		22,557	22,557
Derivative financial instruments		304	1,205
Tax recoverable		5,710	6,752
Bank balances and cash		5,175,161	5,462,220
		22,183,644	21,742,667
Current liabilities			
Trade and other payables	11	5,596,844	4,944,830
Amounts due to jointly controlled entities	11	1,148,659	1,282,454
Amounts due to associates			1,412,682
Derivative financial instruments		457,946	401,050
Tax liabilities		3,511,969	3,454,830
		10,715,418	10,102,520
Net current assets		11,468,226	11,640,147
Total assets less current liabilities		35,998,143	36,050,978
Non-current liabilities			
Deferred tax liabilities		51,215	51,830
Derivative financial instruments		103,046	110,154
Bank borrowings		8,052,670	8,830,000
		8,206,931	8,991,984
		27,791,212	27,058,994
Capital and reserves			
Share capital		84,474	84,474
Reserves		22,935,970	21,942,854
Equity attributable to owners of the Company		23,020,444	22,027,328
Non-controlling interests		1,744	1,830
Perpetual capital instruments		4,769,024	5,029,836
Total equity		27,791,212	27,058,994

	Attributable to the Company														
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Goodwill reserve HK$'000	Special capital reserve 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	Share options reserve HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2009	2	4	40	1	(1)	10	4	2	(111,2	4	11,2	(1	2)	1	2,4	1	2	1	40,4	1	42,4	2	1	201
Profit for the year																	0		0		20	00	1,1	14
Other comprehensive income for the year									(	1	)							(	1	)			(	1	)
Total comprehensive income for the year									4	2								4	2				4	2
Dividend paid to non-controlling shareholders of subsidiaries																								
Transfer to statutory reserve									(		)							(		)			(	
Acquisition of additional interest in a subsidiary												1	,					1	,				1	,
Total transactions with owners												1	,	2				1	,	2			1	,	2
Issue of shares upon exercise of share options															20,4	0		20,4	0				24,10	
At 31 December 2009									(| 1)		1	,44		20,4	0		,0	1,1	2			20	,	4	1,40	4	1
Profit for the year																					20,4				20,4	
Other comprehensive income for the year																							2		2	
Total comprehensive income for the year																		(2	,42	2)	(2	,42	2)		(2	,42	2)
Dividend paid to non-controlling shareholders of subsidiaries																							(11,	20)	(11,	20)
Transfer to statutory reserve																							,	14	,	14
Acquisition of additional interest in a subsidiary																							(1 | , | 1)		1	,	1)

Condensed Consolidated Statement of Cash Flows

	Si h e ded 30 J e	
	2010 *HK$'000* *(U a di ed)*	2009 *HK$'000* *(Una di ed)*
\ l	1,340,279	1, 4 , 2
\ U	(1,337,165)	(1,1 2,122)
\ U	(480,162)	(,41)
\	(477,048)	(, 10)
!U	5,652,209	4,22 ,2
!U	, 2 , 4	

N e :

1. Ba i f a a i a d i ci al acc i g licie

U U 1 l U A 1 U) 4 l

2. Re_e e

	Si _h e ded 30 J e	
	2010	200
	HK$'000	*HK$'000*
	(U a di ed)	*(Una di ed)*
	5,283,196	,0 0, 0
( )	**4,538,290**	,0 ,1 0
	6,208,530	2, 2,20 4
(N e)	**371,738**	2 , 0
	16,401,754	,001,

N e: A $2 , 4 1,000 (1 200 0 $20,2 0,000).

3. Segment information

	Laminate	PCB	Chemical	Other	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2010						
Revenue						
External sales	5,283,196	4,538,290	6,208,530	371,738		16,401,754
Inter-segment sales	1,570,566		369,393	6,458	(1,946,417)	
Total	6,853,762	4,538,290	6,577,923	378,196	(1,946,417)	16,401,754
Segment results	1,549,942	497,680	498,479	28,280		2,574,381
Interest income						89,319
Finance costs						(142,535)
Share of profits of associates						(87,999)
Gain on deemed disposal of partial interest in associates						90,779
Gain on disposal of partial interest in associates						
Loss on disposal of subsidiaries						(2,765)
Profit before taxation						2,521,180
Income tax expense						(200,330)
Profit for the year						2,320,850

Inter-segment sales are charged at prevailing market rates.

	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	,0 0, 0	,0 ,1 0	2, 2,204	2 , 0		,001,
	1,0 4,10		111, 4	4 4	(1,1 , 0)	
	4,104 4	,0 ,1 0	2, 0 ,	2 ,24	(1,1 , 0)	,001,
	2, 24	21 ,2	2 ,0	,2		1, ,104
						,1 2
						,02

5. O he i c e

Si h e ded 30 J e	
2010	200
HK$'000	*HK$'000*
(U a di ed)	*(Una di ed)*

8. Ea i g e ha e

U

	Si h e ded 30 J e	
	2010	200
	HK$'000	*HK$'000*
	(U a di ed)	*(Una di ed)*
U U	1,780,371	, 0

	N be f ha e	
	30 J e 2010	0 l u 200
\ t A t t	844,739,534	44,1 4, 2 4
t t l	8,177,686	, 4 1,
\ t U U t t	852,917,220	1, , 2 1

\ t t 0 l u 2010 t t \ l t t ' \ t t t t t t l ' \ t t t t t l ' U t t t t

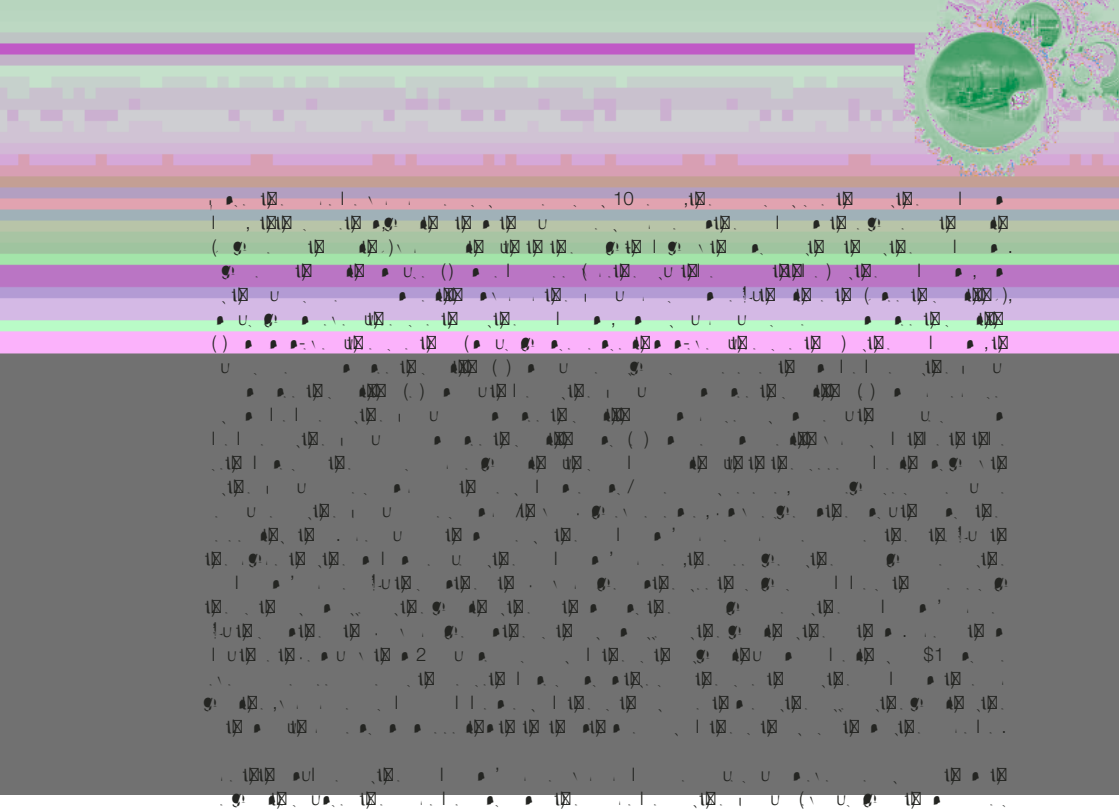
9. Addi j e je la a d e e

U t t t , l U t t $ 0 l (1 l U 200 t 0 l u 200 $1,0 0 l) ! U t t t , t t t l t t

10. T ade a d he ecei able a d e a e a d bill ecei able

	30 J e	1 l
	2010	200
	HK$'000	*HK$'000*
	(U a di ed)	*(A di ed)*
	5,492,919	4,400, 02
\ t t l t t	2,221,757	1, 4 ,1 0

	30 J e 2010 *HK$'000* *(U a di ed)*	1 . . l . 200 *HK$'000* *(A di ed)*
0 0	4,617,527	, 1 , 4 4
1 1 0	819,751	21,02
. . 1 0	55,641	0,10





A ul l t l . l . t 2002 .

	Ga ed Di ec	Ga ed e l ee	T al
t 1 l u 2010 0 l u 2010 *(N e)*	, 1 4, 00	,22 , 00	,1 44,000

N e: t 11 t 2002 t $. 4 t 20021 2 l u 2012.

t 0 l u 2010.

(b) Em l ee ' ha e i n cheme f Elec & El ek ln e na i nal C m an Limi ed ("EEIC,)

	Granted to Directors	Granted to employees	Total
At 1 January 2010 (Note)	2,200,000	2,200,400	4,400,400
Exercised during the year	–	(1,010,200)	(1,010,200)
Lapsed during the year	(2,200,000)	(1,190,200)	(3,390,200)
At 31 December 2010	–	–	–

Note:

(1) 4,000,000 share options were granted on 24 June 2002, of which 2,200,000 share options were granted to the Directors and 1,800,000 share options were granted to employees of the Group. The exercise price of the share options granted to the Directors was HK$2.0 per share. The share options granted to employees of the Group on 1 January 2003 (the "2003 Grant") were exercisable at the exercise price of HK$2.0 per share. The share options granted to employees of the Group on 1 January 2004 (the "2004 Grant") were exercisable at the exercise price of HK$2.0 per share. The share options granted to employees of the Group on 1 January 2005 (the "2005 Grant") were exercisable at the exercise price of HK$2.0 per share. The share options granted to employees of the Group on 1 January 2006 (the "2006 Grant") were exercisable at the exercise price of HK$2.0 per share. The share options granted to employees of the Group on 24 June 2002 were exercisable at the exercise price of HK$2.0 per share.

(2) 10,000,000 share options were granted on 24 June 2002, of which 2,200,000 share options were granted to the Directors and 7,800,000 share options were granted to employees of the Group. The exercise price of the share options granted to the Directors was HK$2.0 per share. The share options granted to employees of the Group on 1 January 2003 (the "2003 Grant") were exercisable at the exercise price of HK$2.0 per share. The share options granted to employees of the Group on 1 January 2004 (the "2004 Grant") were exercisable at the exercise price of HK$2.0 per share. The share options granted to employees of the Group on 1 January 2005 (the "2005 Grant") were exercisable at the exercise price of HK$2.0 per share. The share options granted to employees of the Group on 1 January 2006 (the "2006 Grant") were exercisable at the exercise price of HK$2.0 per share. The share options granted to employees of the Group on 24 June 2002 were exercisable at the exercise price of HK$2.0 per share.

(3) 1,020,000 share options were granted on 12 January 2007, of which 2,200,000 share options were granted to the Directors and 7,800,000 share options were granted to employees of the Group. The exercise price of the share options granted to the Directors was HK$2.400 per share. The share options granted to employees of the Group on 1 January 2007 (the "2007 Grant") were exercisable at the exercise price of HK$2.400 per share. The share options granted to employees of the Group on 1 January 2008 (the "2008 Grant") were exercisable at the exercise price of HK$2.400 per share. The share options granted to employees of the Group on 1 January 2009 (the "2009 Grant") were exercisable at the exercise price of HK$2.400 per share. The share options granted to employees of the Group on 12 January 2007 were exercisable at the exercise price of HK$2.400 per share.

	Sha e ـ i g a ـ da ـ e		
	12 Dece be 2006	29 Se ـ e be 2005	24 J e 2005
	$2. 4	$2. 2	$2.
	$2. 40	$2. *	$2. 44*
	. %	21.2%	2 . 4%
	. %	4.2%	. %

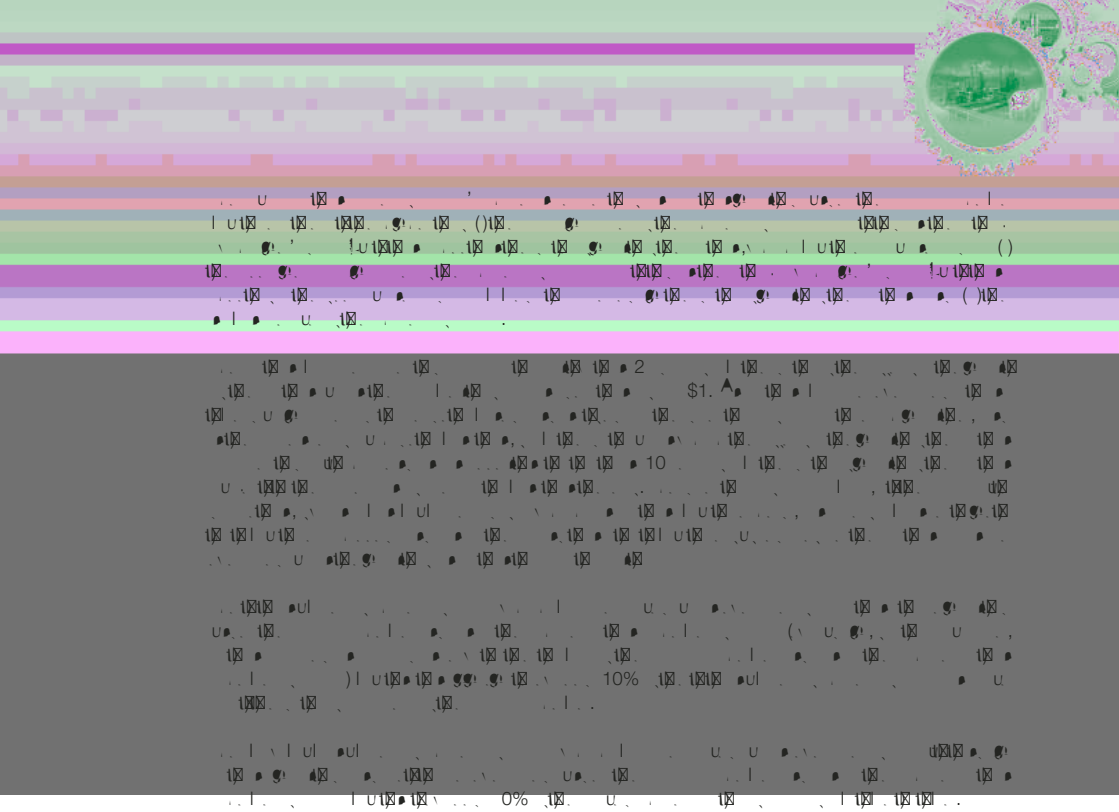
* *The iginal b c i i n ice f he ha e i n g an ed n 29 Se embe 2005 and 24 J ne 2005 e e adj ed US$2.375 and US$2.033 e ec i el a a e l f he B n l e.*

$1 4 ,200

2010 (1 l 200 0 l 200 $ 2,000)

(c) Em l ee ' ha e i n cheme f Kingb a d Lamina e H lding Limi ed ("KLHL.)

1 200 2 l 200



13. Wa a

2010, 1 10 2 2010, 2012 ( ) $40 ( ) $, , ,1 0.

0 2010, ,1 $, , 4 ,200 4,4 , 0

14. C i e

	30 J e 2010 *HK$'000* *(U a di ed)*	1 l 200 *HK$'000* *(A di ed)*
t\ . \ . p t U . 4 t \ . du p t . . . p t t l . 4 p . t ! U t p , 4 p . ! U l . 4	367,075	, 4

15. Rela ed a ac j .

. l U . 4 . 4 t . \ g g p 4 p t p \ t . t U g t . .

	Si h e ded 30 J e 2010 *HK$'000* *(U a di ed)*	200 *HK$'000* *(Una di ed)*
. g t l p t . . . . U	177,938	1 , 1
U . g l l p t . . . . U	19,665	2, 0
g . . . . l p t . . . . U		2, 1
U . g l p t	146,297	1 2, 1
. g t U t 4 . . . . t l p	58,080	
U . g l U t 4 . . . . t l p	166,634	

p U . . p t . . p t . . . . p . l . 4 t 0 l u p 2010 \ p l U 4 . u . l l p t . . . . U \ l t $ 4 ,000 (1.12.200 . $10 ,1 ,000)

Financial Highlights

	Si h e ded 30 J e		
	2010 *HK$' illi*	200 *HK$'milli n*	Cha ge
Re e e	16,401.8	,001.	+ 2%
EBITDA	3,632.5	2,21 .	+ 4%
P fi bef e a	2,521.2	1,2 1.	+100%
Ne fi a ib able . ha eh lde .	1,780.4	.	+ 1%
Ba ic ea i g e . ha e	HK$2.108	$1.1	+ 1%
I e i di ide d e . ha e	HK50.0 ce .	0.0 .	+ %
Di ide d a a i	24%	2 %	
Ne a e al e e ha e	HK$27.3	$2 4.1	+1 %
Ne gea i g	23%	22%	

Performance

1 2010, 200 %

2010 1 2010 4 %

2% 10% 1 2010.

1 2010 14 % $, 1 2010. 4 % $ 2 .1 $ 0. 1 2010.

HUMAN RESOURCES

As at 0 Dec 2010, the Group had approximately 4,000 (1 Dec 2009: approximately 4,400). The remuneration packages of the employees are generally maintained at competitive levels and are reviewed annually based on the performance of the employees and the Group. Other benefits include contributions to retirement benefit schemes, medical insurance, training programs and share option scheme.

PROSPECTS

The Group's business is expected to grow steadily in 2011. The Group will continue to expand its production capacity of PVC resin and caustic soda in Zhanjiang, Guangdong Province, the PRC ("Zhanjiang") and Nanning, Guangxi Province, the PRC ("Nanning"). The Group's production capacity of PVC resin and caustic soda will reach 400,000 tonnes and 2010. The Group will also continue to expand its production capacity of downstream products of PVC resin and caustic soda in Zhanjiang and Nanning. The Group will continue to explore opportunities to acquire businesses which are complementary to the Group's existing business.

The Group will continue to implement its strategy of vertical integration and expansion of production capacity. The Group will continue to expand its production capacity of PVC resin and caustic soda in Zhanjiang and Nanning. The Group's production capacity of PVC resin and caustic soda will reach 400,000 tonnes and 2010. The Group will also continue to expand its production capacity of downstream products of PVC resin and caustic soda in Zhanjiang and Nanning. The Group will continue to explore opportunities to acquire businesses which are complementary to the Group's existing business.

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APPRECIATION

[illegible]

CLOSURE OF REGISTER OF MEMBERS AND REGISTER OF WARRANTHOLDERS

[illegible] 2010 [illegible] 2010 ([illegible]) [illegible] 2,400 [illegible] 2010.

DIRECTORS' INTERESTS IN SHARES

[illegible] 2010, [illegible] 2 [illegible]

Long position

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

Name of Director	Capacity	Number of Shares held	Approximate percentage of the Company's total issued share capital
[illegible]	[illegible]	[illegible]	0.40
[illegible] *(Note 1)*	[illegible]	1,0[illegible]0,200	0.12
[illegible]	[illegible]	[illegible],200	0.10
[illegible] [illegible] *(Note 2)*	[illegible]	[illegible],[illegible]4	0.[illegible]
[illegible] *(Note 3)*	[illegible]	2,[illegible]4,12	0.2
[illegible], [illegible]	[illegible]	1, 10,000	0.21

N e :

(1) 1,020,200 0,000

(2) 2,040,200

( ) 2,424,112 1,200,000

(b) Sha e in f he C m an ("Sha e O in ,)

Na e f Di ec	Ca aci	l e e i de l i g Sha e a Sha e O i . de he 2002 Sche e
		,000
		,000
(N e)		2,240,000
		1,100,000

N e: 2,240,000 ,000 1,040 11. -2.

Notes:

(1) [illegible] 10 ,02 [illegible] , 102,02 [illegible] ,000 [illegible]

(2) [illegible] , 2 [illegible] , 2 , 0 [illegible] , 20 [illegible]

( ) [illegible] 21 , 412 [illegible] , 102, 2 [illegible] 11 , 0 [illegible]

(d) *O dina ha e f HK$0.10 each ("KLHL Sha e ") in KLHL*

Name of Director	Capacity	Number of issued KLHL Shares held	Approximate percentage of the issued share capital of KLHL
[illegible]	[illegible]	41, 00	0.001
[illegible] *(Note 1)*	[illegible]	100,000	0.00
[illegible] *(Note 2)*	[illegible]	100,000	0.00
[illegible] *(Note 3)*	[illegible]	40,000	0.01
[illegible]	[illegible]	0 4,000	0.02

Notes:

(1) 100,000 [illegible]

(2) 100,000 [illegible]

( ) 40,000 [illegible]

(e) *N n- ing defe ed ha e f HK$1 each in he ha e ca i al f Kingb a d Lamina e Limi ed, a n n h ll - ned b idia f he C m an*

Name of Director	Capacity	Number of non-voting deferred shares held *(Note)*
[illegible]	[illegible]	1, 04,400
[illegible]	[illegible]	1,4 1,200
[illegible]	[illegible]	4 ,400
[illegible]	[illegible]	2 ,000
[illegible]	[illegible]	42 ,200

Note: [illegible]

(f) Ordinary shares ("EEIC Shares") in the share capital of EEIC, a non-wholly-owned subsidiary of the Company

Name of Director	Capacity	Number of EEIC Shares held	Approximate percentage of the issued share capital of EEIC
[illegible]	[illegible]	1,1 1,200	0. 2
[illegible] (Note)	[illegible]	1,0 ,200	0.
[illegible]	[illegible]	,200	0. 2
[illegible]	[illegible]	1,120,200	0. 0

Note: [illegible] 1,0 ,200 [illegible], 1,02 ,200 [illegible] 0,000 [illegible]

(g) Ordinary shares ("KCFH Shares") of US$0.10 each in the share capital of Kingboard Chemical Holdings Limited ("KCFH"), a non-wholly-owned subsidiary of the Company

Name of Director	Capacity	Number of KCFH Shares held	Approximate percentage of the issued share capital of KCFH
[illegible]	[illegible]	1,000,000	0.14
[illegible] (Note)	[illegible]	2,000	0.000
[illegible]	[illegible]	2,000	0.01

SUBSTANTIAL SHAREHOLDERS

[illegible] 2010, [illegible]

Long position

O dina ha e f HK$0.10 each f he C m an

Na e f ha eh lde	Na e f i e e	I e e i de l i g Sha e a he Wa a	N be f i ed Sha e held	A i a e e ce age f he i ed ha e ca i al f he C a
[illegible] (N e)	[illegible]	2 , ,442	2 , 0 , 42	1. 4
[illegible]	[illegible]	,0 , 4	, ,440	10.
[illegible]	[illegible]	, ,2 0	, ,000	.
[illegible]	[illegible]		0, ,000	.00
[illegible]	[illegible]		42, 0, 00	.0

N e: [illegible] 2010 [illegible]

[illegible] 2010.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

[illegible] 2010, [illegible]

AUDIT COMMITTEE

[illegible] 2010.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

[illegible]

[illegible]

[illegible]

Ki gb a d Che ical H ldi g Li i ed
Che g K k Wi g
Chai man

[illegible], 20 [illegible] 2010

B a d f Di ec :

E ec i e Di ec

- [illegible] *(Chai man)*
- [illegible] *(Managing Di ec)*
- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

Inde enden n n-e ec i e Di ec

- [illegible]
- [illegible]
- [illegible]
- [illegible]