

comparative figures for the corresponding period in 2007 as follows:

	Notes	Six months ended 30 June 2008 HK$'000 (Unaudited)	2007 HK$'000 (Unaudited)
Revenue	2	**12,377,787**	9,021,859
Cost of sales		**(608,602)**	(446,635)
Loss on disposal of convertible bond and interest in an associate	5	**(188,537)**	–
Finance costs		**(156,016)**	(121,881)
Share of results of associates		**265,673**	172,018
Share of results of jointly controlled entities		**(672)**	1,407
Profit before taxation		**2,077,250**	1,765,052
Income tax expense	6	**(172,929)**	(135,555)
Profit for the period		**1,904,321**	1,629,497
Attributable to:			
Equity holders of the Company		**1,569,778**	1,301,818
Minority interests		**334,543**	327,679
Interim dividend	7	**337,247**	251,430
Earnings per share	8		
Basic		**HK$1.863**	HK$1.562
Diluted		**HK$1.822**	HK$1.513

	Notes	30 June 2008 HK$'000 (Unaudited)	31 December 2007 HK$'000 (Audited)
Non-current assets			
Investment properties		1,280,213	1,197,952
Properties, plant and equipment	9	16,032,579	13,752,739
Prepaid lease payments		1,571,674	1,265,127
Goodwill		2,006,436	2,005,658
Investments in associates		784,733	741,128
Available-for-sale investments		488,661	564,657
Convertible bond – loan portion		–	86,188
Interests in jointly controlled entities		13,613	14,284
Non-current deposits		1,431,953	993,168
Intangible assets		772,850	725,884
Deferred tax assets		13,589	21,994
		24,396,301	21,368,779
Current assets			
Inventories		3,468,142	2,648,216
Trade and other receivables and prepayments	10	8,136,547	7,182,019
Prepaid lease payments		33,928	28,029
Conversion and redemption option derivative		–	205,461
Derivative financial instruments		68,756	2,812
Taxation recoverable		–	42,349
Bank balances and cash		5,406,706	3,494,596

	Attributable to equity holders of the Company														
	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	Share option reserve of a subsidiary HK$'000	Minority interests HK$'000	Total equity HK$'000
Balance at 1 January 2008	83,810	4,505,828	897	(791)	10,594	31,728	–	6,583	(58,403)	1,057,425	12,640,032	18,277,703	12,862	3,936,231	22,226,796
Decrease in fair value changes of available-for-sale investments	–	–	–	–	–	–	–	–	(111,035)	–	–	(111,035)	–	–	(111,035)
Increase in fair value changes of derivatives under cash flow hedge	–	–	–	–	–	–	64,867	–	–	–	–	64,867	–	–	64,867
Share of changes in reserve of associates	–	–	–	–	–	–	–	–	–	37,545	–	37,545	–	–	37,545
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	769,117	–	769,117	–	241,696	1,010,813
Net income and expenses recognised directly in equity	–	–	–	–	–	–	64,867	–	(111,035)	806,662	–	760,494	–	241,696	1,002,190
Profit for the period	–	–	–	–	–	–	–	–	–	–	1,569,778	1,569,778	–	334,543	1,904,321
Total recognised income and expenses for the period	–	–	–	–	–	–	64,867	–	(111,035)	806,662	1,569,778	2,330,272	–	576,239	2,906,511
Issue of new shares from exercise of share options	530	19,292	–	–	–	–	–	–	–	–	–	19,822	–	–	19,822
Shares repurchased and cancelled	(28)	(8,532)	–	–	–	–	–	–	–	–	–	(8,560)	–	–	(8,560)
Recognition of equity – settled share based payments	–	–	–	–	–	–	–	–	–	–	–	–	1,412	–	1,412
Final dividend for the year ended 31 December 2007	–	–	–	–	–	–	–	–	–	–	(590,183)	(590,183)	–	–	(590,183)
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	–	(20,392)	(20,392)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	44,146	44,146
Contribution from minority shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	73,823	73,823
Dividend paid to minority shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	(226,149)	(226,149)
Transfer upon lapse of share option	–	–	–	–	–	–	–	–	–	–	1,732	1,732	(1,732)	–	–
Transfers	–	–	–	–	–	19,258	–	–	–	–	(19,258)	–	–	–	–
	502	10,760	–	–	–	19,258	–	–	–	–	(607,709)	(577,189)	(320)	(128,572)	(706,081)
Balance at 30 June 2008	**84,312**	**4,516,588**	**897**	**(791)**	**10,594**	**50,986**	**64,867**	**6,583**	**(169,438)**	**1,864,087**	**13,602,101**	**20,030,786**	**12,542**	**4,383,898**	**24,427,226**

	Attributable to equity holders of the Company					
	Capital	Special	Investment	Share option	Special	7914 [illegible]

	Laminates *HK$'000*	Printed circuit boards *HK$'000*	Chemicals *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Six months ended 30 June 2007						
Segment revenue						
External sales	3,518,675	3,449,592	1,574,865	478,727	–	9,021,859
Inter-segment sales	1,153,518	–	744,175	40,582	(1,938,275)	–
Total	4,672,193	3,449,592	2,319,040	519,309	(1,938,275)	9,021,859
Result						
Segment result	1,044,222	244,798	264,258	38,969	–	1,592,247
Unallocated corporate income						133,043
Unallocated corporate expenses						(11,782)
Finance costs						(121,881)
Share of results of associates	–	1,997	170,021	–	–	172,018
Share of results of jointly controlled entities	–	–	–	1,407	–	1,407
Profit before taxation						1,765,052
Income tax expense						(135,555)
Profit for the period						1,629,497

Inter-segment sales are charged by reference to market prices.

Geographical segments

The analysis of the Group's revenue by geographical market based on geographical location of customers for each of the periods is as follows:

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
The People's Republic of China	**9,755,229**	6,828,644
Other Asian countries	**1,696,091**	1,337,887
Europe	**702,694**	631,518
America	**223,773**	223,810
	12,377,787	9,021,859

3. Depreciation

During the period, depreciation of approximately HK$764.0 million (1 January 2007 to 30 June 2007: HK$599.8 million) was charged in respect of the Group's properties, plant and equipment.

6. Income tax expense

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
The amount comprises:		
Hong Kong Profits Tax		
Charge for the period	**2,530**	5,226
Overprovision in previous periods	**–**	(3,032)
	2,530	2,194
Taxation arising in other jurisdictions	**173,337**	138,091
	175,867	140,285
Deferred taxation		
Credit for the period	**(2,938)**	(4,730)
	172,929	135,555

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) on the estimated assessable profits for the period. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. Interim dividend

	Number of shares	
	30 June 2008	30 June 2007
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**842,729,266**	833,287,204
Effect of dilutive potential ordinary shares relating to outstanding share options	**19,006,477**	27,349,146
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**861,735,743**	860,636,350

	Six months ended 30 June	
	2008	2007
	(Unaudited)	*(Unaudited)*
Additional information on adjusted earnings per share:		
Basic	**HK$2.086**	HK$1.562
Diluted	**HK$2.040**	HK$1.513

Additional information on adjusted basic and diluted earnings per share figures have also been presented, based on the profit for the period attributable to equity holders of the Company less any non-recurring item, which are calculated as follows:

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Profit for the period attributable to equity holders of the Company	**1,569,778**	1,301,818
Non-recurring item:		
Add: Loss on disposal of convertible bond and interest in an associate	**188,537**	–
Earnings for the purpose of calculating adjusted basic and diluted earnings per share	**1,758,315**	1,301,818

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

9. Additions to properties, plant and equipment

During the period, the Group spent approximately HK$2,123 million (1 January 2007 to 30 June 2007: HK$1,657 million) on acquisition of properties, plant and equipment.

10. Trade and other receivables and prepayments

	30 June 2008 *HK$'000* *(Unaudited)*	31 December 2007 *HK$'000* *(Audited)*
Trade receivables	**5,240,586**	4,925,821
Bills receivables	**1,023,681**	857,508
Other receivables and prepayments	**1,872,280**	1,398,690
	8,136,547	7,182,019

The Group allows credit periods of up to 120 days, depending on the products sold, to its trade customers. The following is an aged analysis of trade receivables at the balance sheet dates:

	30 June 2008 *HK$'000* *(Unaudited)*	31 December 2007 *HK$'000* *(Audited)*
0 – 90 days	**4,300,010**	3,935,709
91 – 180 days	**875,757**	939,195
Over 180 days	**64,819**	50,917
	5,240,586	4,925,821

All bills receivables of the Group are aged within 90 days at the balance sheet dates.

11. Trade and other payables and bills payable

The following is an aged analysis of trade payables at the balance sheet dates:

	30 June 2008 *HK$'000* *(Unaudited)*	31 December 2007 *HK$'000* *(Audited)*
0–90 days	**1,565,217**	1,657,401
91–180 days	**424,960**	289,407
Over 180 days	**115,416**	102,222
	2,105,593	2,049,030

All bills payable of the Group are aged within 90 days at the balance sheet dates.

12. Share options

(a) Employees' share option scheme of the Company

Under the Company's share option scheme (the "Scheme") adopted on 2 July 2002, which is valid for a period of ten years, the board of directors of the Company may, at its discretion, grant options to subscribe for shares in the Company to eligible participants ("Eligible Participants") who contributes to the long-term growth and profitability of the Company. Eligible Participants include (i) any employee (whether full time or part time) of the Company, any of its subsidiaries or any entity in which the Group holds any equity interests ("Invested Entity"), including any executive director of the Company, any of such subsidiaries or any Invested Entity; (ii) any non-executive directors (including independent non-executive directors) of the Company, its subsidiaries or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and (vi) any person or entity who from time to time determined by the Board as having contributed or may contribute to the development and growth of the Group based on his or its performance and/or years of service, or is regarded as valuable resources of the Group based on his/its working experience, knowledge in the industry and other relevant factors. The subscription price for the Company's shares shall be a price at least equal to the highest of the nominal value of the Company's shares, the average of the closing prices of the Company's shares quoted on the Stock Exchange on the five trading days immediately preceding the date of an offer of the grant of the options and the closing price of the Company's shares quoted on the Stock Exchange on the date of an offer of the grant of the options. The options must be taken up within 28 days from the date of grant upon payment of HK$1 and are exercisable over a period to be determined and notified by the Directors to each grantee, which period may commence from the date of acceptance of the offer of the grant of the options but shall end in any event not later than ten years from the date of adoption of the Scheme.

The total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group (excluding options lapsed in accordance with the terms of the Scheme and any other schemes of the Group) must not in aggregate exceed 10% of the Company's shares in issue as at the date of adoption of the Scheme. The limit on the number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Group must not exceed 30% of the Company's shares in issue from time to time. The total number of the Company's shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) under the Scheme or other schemes of the Group in any 12-month period up to the date of grant must not exceed 1% of the Company's shares in issue at the date of grant unless approved by the Company's shareholders in general meeting.

In accordance with the terms of the Scheme, share options of the Company issued vest at the date of grant.

At 30 June 2008, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 20,622,000 (31 December 2007: 25,922,000), representing 2.4% (31 December 2007: 3.09%) of the shares of the Company in issue on that date.

The duration of the 2008 Scheme is 10 years and the total number of shares in EEIC that may be issued shall not exceed 10% of the total number of EEIC Shares in issue as at the adoption date or subject to certain conditions being satisfied, 15% of the total issued shares of EEIC excluding treasury shares from time to time. The total number of EEIC Shares issued and to be issued upon the exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of EEIC Shares in issue from time to time.

Share options may be accepted within 30 days from the date of grant accompanied by payment of S$1.00 (or its equivalent) as consideration by the participants, but the grant of share options do not confer rights on the option holders to any dividend entitlement or to vote at any shareholders' meeting.

There was no share options granted under the 2008 Scheme since its adoption. However, there are still outstanding share options remaining unexercised under the 2002 Scheme and a summary of the movements of the outstanding share options under the 2002 Scheme for the period is as follows:

	Granted to Directors	Granted to employees	Total
Balance at 31 December 2007 and 1 January 2008 *(Note)*	3,892,800	6,794,200	10,687,000
Lapsed during the period	–	(1,249,200)	(1,249,200)
Balance at 30 June 2008	3,892,800	5,545,000	9,437,800

Note:

The interests in share option arise by virtue of

(i) 4,055,000 share options accepted by the Directors and 5,745,000 share options accepted by the employees of the Group on 24 June 2005, which would entitle the relevant Directors and employees to subscribe for shares in EEIC at an adjusted subscription price of US$2.033 per share after the 1 for 5 bonus issue effected by EEIC on 13 October 2005 ("Bonus Issue"). The share options are exercisable in whole or in part at the staggered manner within 5 option periods, commencing on 26 November 2006, 26 November 2007, 26 November 2008, 26 November 2009 and 26 March 2010 respectively and all ending on 24 May 2010;

(ii) 150,000 share options accepted by the independent non-executive directors of EEIC on 29 September 2005, which would entitle the relevant directors to subscribe for shares in EEIC at an adjusted subscription price of US$2.375 per share after the Bonus Issue. The share options are exercisable in whole or in part at the staggered manner within 5 option periods, commencing on 5 September 2006, 5 September 2007, 5 September 2008, 5 September 2009 and 5 July 2010 respectively, and all ending on 4 September 2010; and

(iii) 1,020,000 share options accepted by full-time employees of EEIC and its subsidiaries on 12 December 2006, which would entitle the relevant employees to subscribe for shares in EEIC at a subscription price of US$2.400 per share. The share options are exercisable in whole or in part at the staggered manner within 4 option periods, commencing on 13 November

These fair values were calculated using the Trinomial Lattice Model. The inputs into the model are as follows:

	Share option grant date		
	12 December 2006	29 September 2005	24 June 2005
Share price at grant date	US$2.74	US$2.92	US$2.53
Subscription price	US$2.40	US$2.85*	US$2.44*
Expected volatility	36.6%	21.2%	25.4%
Expected life	5 years	5 years	5 years
Risk-free rate	3.7%	4.2%	3.7%

* *The original subscription price of the share options granted on 29 September 2005 and 24 June 2005 were adjusted to US$2.375 and US$2.033 respectively as a result of the Bonus Issue.*

Expected volatility was determined by using the historical volatility of EEIC's share price over the previous five years. The expected life used in the model has been adjusted, based on the best estimate of the management, for the effects of non transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of approximately HK$1,412,000 for the six months ended 30 June 2008 (1 January 2007 to 30 June 2007: HK$1,540,000) in relation to the share options granted by EEIC.

(c) Employees' share option scheme of Kingboard Laminates Holdings Limited ("KLHL")

The total number of shares of KLHL which may be issued upon exercise of all options to be granted under the KLHL Scheme and any other share option scheme of KLHL (excluding, for this purpose, options lapsed in accordance with the terms of the KLHL Scheme and any other share option scheme of KLHL) must not in aggregate exceed 10% of the total number of shares of KLHL in issue as at the date of approval of the KLHL Scheme.

The maximum number of shares of KLHL which may be issued upon exercise of all outstanding options granted and yet to be exercised under the KLHL Scheme and any other share option scheme of KLHL must not exceed 30% of the issued share capital of KLHL from time to time.

The total number of shares of KLHL issued and to be issued upon exercise of the options granted (including both exercised and outstanding options) to each participant in any 12-month period must not exceed 1% of the share capital of KLHL then in issue unless approved by the shareholders of KLHL and the Company in general meetings.

No share option was granted pursuant to the KLHL Scheme since its adoption.

13. Commitments

	30 June 2008 *HK$'000* *(Unaudited)*	31 December 2007 *HK$'000* *(Audited)*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of properties, plant and equipment	**1,280,254**	943,580

14. Related party transactions

The Group entered into the following significant transactions with related parties during the period:

	Six months ended 30 June	
	2008 *HK$'000* *(Unaudited)*	2007 *HK$'000* *(Unaudited)*
Sales of goods to a minority shareholder of a subsidiary	**252,456**	269,689
Purchases of goods from a minority shareholder of a subsidiary	**50,988**	61,832
Drilling service provided by a minority shareholder of a subsidiary	**9,768**	11,641
Purchases of goods from an associate	**311,838**	277,396
Sales of goods to an associate	**–**	60,185

Included in trade and other receivables and prepayments as at 30 June 2008 is an amount due from a minority shareholder of a subsidiary of approximately HK$149,489,000 (31.12.2007: HK$155,408,000). The Group allows credit periods of up to 120 days, depending on the products sold, to its related parties.

Included in trade and other payables as at 30 June 2008 is an amount due to an associate of approximately HK$48,872,000 (31.12.2007: nil). The related parties offer credit periods of up to 120 days to the Group.

Overview

Underscoring the success of our strategic focus and management vision, Kingboard Chemical Holdings Limited (the "Group") delivered another set of impressive results with robust growth in both revenue and net profit for the six months ended 30 June 2008 (the "reporting period"). Group revenue increased 37% to reach HK$12,377.8 million while net profit (excluding one-off exceptional item*) rose 35% to HK$1,758.3 million upon our strong operational performance. In addition, we were selected as one of the Top 2000 Global Companies by Forbes Magazine in April 2008. All these remarkable achievements attest to the concrete fundamentals of our core businesses and continuous efficiency improvements on the back of our vertically integrated business model.

Employing over 52,700 staff globally with more than 60 plants, the Group is well poised to seize growth opportunities ahead and diversify our earnings stream. Our laminate division, being the largest laminate producer in the world, maintained 11.8% of the global laminate market share in 2007 whilst our printed circuit board ("PCB") division remains the largest PCB manufacturer in China. Furthermore, chemical division has secured a firm foothold in the fast expanding market in China and has become the strong impetus for the Group's earnings growth.

Financial Highlights

- Revenue posted strong growth to HK$12.4 billion – up 37%
- Pre-tax profit surged 28% to HK$2.3 billion*
- Profit attributable to equity holders of the Company increased by 35% to HK$1.76 billion*
- Interim dividend per share up 33% to HK40 cents

* *Excluding loss on disposal of convertible bond ("CB") of HK$184 million (fair value gain for the same CB was HK$182 million for the year ended 31 December 2007) and interest in an associate of HK$5 million for the period ended 30 June 2008*

Laminates

In the first half year of 2008, laminates division achieved steady business growth driven by organic expansion laid down in 2007. Revenue (including inter-segment sales) recorded 13% growth to HK$5,276.8 million while volume sales achieved 9% growth with average monthly shipment reaching 8.5 million square meters. Upstream material capacity was further enhanced to strengthen our vertically integrated business model, as the new glass yarn plant in Qingyuan, Guangdong province and new glass fabric plant in Lianzhou, Guangdong province started trial production in January and June 2008 respectively. Notwithstanding higher material costs and other cost increases including fuel and wages and the start-up costs for the two new plants, laminates division attained an earnings before interest and tax ("EBIT") increase by 2% to HK$1,060 million against the same period last year.

Capitalizing on a diverse customer portfolio across broad based applications, our PCB division recorded healthy order intake growth for all our subsidiaries. The Group acquired 80% interests in a Taiwanese PCB shop – Express Electronics (Suzhou) Company Limited located in Suzhou, Jiangsu province in February 2008. With our dedicated management team, this company was turned around to profit shortly after the acquisition. In addition, Elec & Eltek accomplished continuous performance improvement in the first half of 2008. As a result, our PCB division's revenue chalked up 19% growth to HK$4,093 million with EBIT increased 36% to HK$332.4 million.

Investments in chemical division over the past years have paid off with encouraging results. Revenue achieved vigorous growth of 109% to HK$4,843.8 million. EBIT soared 173% to HK$721.8 million while EBIT margin widened from 11.4% to 14.9% for the current period. The commencement of operations in late 2007 in both methanol plant in Chongqing and phenol/acetone plant in Huizhou, Guangdong province started to bear fruit. Bolstered by additional coke production capacity from the phase two of coke/methanol plant in Hebei and thriving market conditions of coke and methanol in China, the plant's EBIT contribution doubled against the same

Pursuant to a sales and purchase agreement dated 25 July 2008 with G-Prop (Holdings) Limited ("G-Prop"), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group has acquired from G-Prop the entire interests in a coal-based methanol project with 2 million metric tonnes annual capacity in Inner Mongolia for a consideration of HK$183.6 million. This project is expected to develop in three to five years.

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As at 30 June 2008, the Group had a global workforce of over 52,700 (31 December 2007: 47,200). The increase in headcount was in line with our ongoing expansion blueprint. Other than offering competitive salary package, the Group grants share options and discretionary bonuses to eligible employees based on our financial achievement and individual performance.

[illegible]

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers, banks, the management and employees for their unreserved support to the Group in the last six months.

[illegible]

The register of members of the Company will be closed from Tuesday, 9 September 2008 to Thursday, 11 September 2008 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, shareholders are reminded to ensure that all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Monday, 8 September 2008.

[illegible]

At 30 June 2008, the interests or short positions of the Directors and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

[illegible]

(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. Cheung Kwok Wing	Beneficial owner	2,673,925	0.31
Mr. Chan Wing Kwan	Beneficial owner	1,000,000	0.11
Mr. Cheung Kwing Kwag			

(b) Share options of the Company

Name of Director	Capacity	Interest in underlying Shares pursuant to share options of the Company
Mr. Chan Wing Kwan	Beneficial owner	2,091,600
Mr. Chang Wing Yiu	Beneficial owner	1,984,800
Mr. Ho Yin Sang *(Note)*	Beneficial owner	4,009,600
Mr. Cheung Kwong Kwan	Beneficial owner	2,484,600

Note: Out of the 4,009,600 share options, 2,653,600 share options were held by Mr. Ho Yin Sang and 1,356,000 share options were held by his spouse.

(c) Ordinary shares of HK$0.10 each ("KLHL Shares") in KLHL

Name of Director	Capacity	Number of issued KLHL Shares held	Approximate percentage of the issued share capital of KLHL
Mr. Cheung Kwok Wing	Beneficial owner	784,500	0.02
Mr. Chan Wing Kwan *(Note 1)*	Beneficial owner	100,000	0.003
Mr. Chang Wing Yiu *(Note 2)*	Beneficial owner	100,000	0.003
Mr. Ho Yin Sang *(Note 3)*	Beneficial owner	540,000	0.01
Ms. Cheung Wai Lin, Stephanie	Beneficial owner	804,000	0.02

Notes:

(1) The 100,000 KLHL Shares were held by the spouse of Mr. Chan Wing Kwan.

(2) The 100,000 KLHL Shares were held by the spouse of Mr. Chang Wing Yiu.

(3) The 540,000 KLHL Shares were held by the spouse of Mr. Ho Yin Sang.

(d) *Non-voting deferred shares of HK$1 each in the share capital of Kingboard Laminates Limited, a non wholly-owned subsidiary of the Company*

Name of Director	Capacity	Number of non-voting deferred shares held
Mr. Cheung Kwok Wing	Beneficial owner	1,904,400
Mr. Chan Wing Kwan	Beneficial owner	1,481,200
Mr. Cheung Kwong Kwan	Beneficial owner	846,400
Mr. Ho Yin Sang	Beneficial owner	529,000
Mr. Chang Wing Yiu	Beneficial owner	423,200

(e) *Ordinary shares ("EEIC Shares") in the share capital of EEIC, a 71.04% owned subsidiary of the Company*

Name of Director	Capacity	Number of issued EEIC Shares held	Approximate percentage of the issued share capital
Mr. Cheung Kwok Wing	Beneficial owner		

(g) Ordinary shares ("KCFL Shares") of US$0.10 each in Kingboard Copper Foil Holdings Limited ("KCFL"), a non wholly-owned subsidiary of the Company

Name of Director	Capacity	Number of issued KCFL Shares held	Approximate percentage of the issued share capital of KCFL
Mr. Ho Yin Sang *(Note)*	Beneficial owner	2,000	0.0003

Note: The 2,000 KCFL Shares were held by the spouse of Mr. Ho Yin Sang.

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2008.

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As at 30 June 2008, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect12(c)-12(t12(c)

[illegible]

During the six months ended 30 June 2008, the Company repurchased 281,000 Shares on the Stock Exchange at an aggregate consideration of HK$8,559,737. All of the repurchased Shares were cancelled. Details of the repurchase were as follows:

Date of repurchase	Number of Shares repurchased	Price per Share		Aggregate consideration paid
		Highest	Lowest	
		HK$	*HK$*	*HK$*
22 January 2008	281,000	30.50	30.35	8,559,737

Saved as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange during the period ended 30 June 2008.

[illegible]

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements of the Group for the period ended 30 June 2008.

[illegible]

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2008, save for the deviation that the independent non-executive Directors are not appointed for specific terms pursuant to paragraph A.4.1 of the Code. Notwithstanding the aforesaid deviation, all the Directors (including the independent non-executive Directors) are subject to retirements by rotation and re-election at the Company's annual general meeting in compliance with the Company's Articles of Association.

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company.

By Order of the Board
Kingboard Chemical Holdings Limited
Cheung Kwok Wing
Chairman

Hong Kong, 25 August 2008

Board of Directors:

Executive Directors
Mr. Cheung Kwok Wing *(Chairman)*
Mr. Chan Wing Kwan *(Managing Director)*
Mr. Cheung Kwong Kwan
Mr. Chang Wing Yiu
Mr. Ho Yin Sang
Ms. Cheung Wai Lin, Stephanie
Mr. Mok Cham Hung, Chadwick

Independent non-executive Directors
Mr. Cheng Ming Fun, Paul
Mr. Cheng Wai Chee, Christopher
Mr. Henry Tan
Mr. Tse Kam Hung