CHINA BOON HOLDINGS LIMITED

中福控股發展有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00922)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

The Board of the Company announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2010 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

		Unaudited Six months ended 30 September	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**5,151**	23,321
Cost of sales		**(5,057)**	(23,745)
Gross profit/(loss)		**94**	(424)
Other income	4	**461**	31
Administrative expenses		**(33,657)**	(41,737)
Operating Loss		**(33,102)**	(42,130)
Finance costs		**–**	(40)
Loss before income tax	5	**(33,102)**	(42,170)
Income tax expense	6	**–**	–
Loss for the Period attributable to the owners of the Company		**(33,102)**	(42,170)
Other comprehensive income			
Exchange differences on translation of financial statements of foreign operations		**293**	–
Other comprehensive income for the Period		**293**	–
Total comprehensive loss for the Period attributable to the owners of the Company		**(32,809)**	(42,170)
Loss per share for loss for the Period attributable to the owners of the Company	7		
– Basic (HK cents)		**(1.68)**	(2.84)
– Diluted (HK cents)		**N/A**	N/A

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2010

	Notes	**Unaudited 30 September 2010** *HK$'000*	Audited 31 March 2010 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*8*	**3,175**	3,682
Deposits for acquisition of subsidiaries		**97,143**	80,000
		100,318	83,682
Current assets			
Trade receivables	*9*	**5,151**	3,678
Financial assets at fair value through profit or loss		**2,827**	7,085
Prepayments, deposits and other receivables		**19,645**	8,363
Tax recoverable		**–**	1,144
Amounts due from a related company		**–**	345
Cash and bank balances		**111,321**	155,628
		138,944	176,243
Current liabilities			
Trade payables	*10*	**–**	2,103
Other payables, accruals and deposits received		**2,554**	1,570
		2,554	3,673
Net current assets		**136,390**	172,570
Total assets less current liabilities/Net assets		**236,708**	256,252
EQUITY			
Equity attributable to owners of the Company			
Share capital	*11*	**197,562**	197,562
Reserves		**39,146**	58,690
Total equity		**236,708**	256,252

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

1. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements of the Group have been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by HKICPA and the applicable disclosure requirements of the Listing Rules and should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2010.

2. ADOPTION OF NEW AND AMENDED HKFRSs

The accounting policies and basis of preparation adopted in the preparation of the condensed consolidated interim financial statements are the same as those used in the annual financial statements of the Group for the year ended 31 March 2010, except in relation to the following new HKFRS that affect the Group and are adopted by the Group for the first time for the current period's financial statements.

Adoption of New or Amended HKFRSs

In the Period, the Group has applied for the first time the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on 1April 2010.

Various	Annual Improvement to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations

The adoption of the new and revised HKFRSs has had no material effect on the condensed consolidated interim financial statements of the Group for the current or prior accounting periods.

3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product lines, which represent the main products provided by the Group.

The executive Directors have identified the Group's three products lines (2009: three) as operating segments as follows. These operating segments are maintained and strategic decisions are made on the basis of segment operating results.

(a) Trading of consumer electronic appliances;

(b) Trading of scrap metal; and

(c) Trading of leather

Each of these operating segments is managed separately as each of the product lines requires different resources as well as marketing approaches. All inter-segment transfers, if any, are carried out at arm's length prices.

Information regarding the Group's reportable segments is provided to the Group's executive directors as set out below:

Six months ended 30 September 2010 (unaudited)	**Electronic Trading** *HK$'000*	**Metal Trading** *HK$'000*	**Leather Trading** *HK$'000*	**Total** *HK$'000*
Revenue from external customers				
Reportable segment revenue	**–**	**–**	**5,151**	**5,151**
Reportable segment (loss)/profit	**(404)**	**(28)**	**94**	**(338)**
Depreciation	**(2)**	**–**	**–**	**(2)**
As at 30 September 2010 (unaudited)				
Reportable segment assets	**2,468**	**312**	**5,151**	**7,931**
Reportable segment liabilities	**(65)**	**(500)**	**–**	**(565)**

Six months ended 30 September 2009 (unaudited)	**Electronic Trading** *HK$'000*	**Metal Trading** *HK$'000*	**Leather Trading** *HK$'000*	**Total** *HK$'000*
Revenue from external customers				
Reportable segment revenue	8,695	3,988	10,638	23,321
Reportable segment (loss)/profit	(2,238)	(4,509)	200	(6,547)
Amortisation of mould cost	(630)	–	–	(630)
Depreciation	(2)	–	–	(2)
Impairment loss on trade receivables recognised	–	(3,034)	–	(3,034)
Interest income on financial assets carried at amortised costs	–	4	–	4
Interest expense on financial assets carried at amortised costs	(2)	(37)	–	(39)
As at 31 March 2010 (audited)				
Reportable segment assets	2,878	2,433	1,278	6,589
Reportable segment liabilities	(60)	(2,593)	–	(2,653)

The total presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	Unaudited Six months ended 30 September 2010	2009
	HK$'000	*HK$'000*
Reportable segment revenue and Group revenue	**5,151**	23,321
Reportable segment loss	**(338)**	(6,547)
Fair value loss of financial assets at fair value through profit and loss, net	**(29)**	(2,237)
Equity-settled share-based payments	**(13,265)**	(21,895)
Finance costs	**–**	(39)
Operating lease charges	**(1,932)**	(1,174)
Other unallocated income and expenses	**(17,538)**	(10,278)
Loss before income tax	**(33,102)**	(42,170)

	Unaudited As at 30 September 2010	Audited As at 31 March 2010
	HK$'000	*HK$'000*
Reportable segment assets	**7,931**	6,589
Corporate assets	**231,331**	253,336
Group assets	**239,262**	259,925
Reportable segment liabilities	**(565)**	(2,653)
Corporate liabilities	**(1,989)**	(1,020)
Group liabilities	**(2,554)**	(3,673)

4. REVENUE AND OTHER INCOME

The Group's principal activities are trading of consumer electronic appliances, scrap metal and leather. Turnover of the Group is the revenue from these activities. Revenue from the Group's principal activities and other income recognised during the Period are as follows:

	Unaudited Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**5,151**	23,321
Other income		
Interest income on financial assets stated at amortised cost	**45**	17
Share of office expenses recharged	**414**	–
Others	**2**	14
	461	31

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Unaudited Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
Auditors' remuneration	**(231)**	(228)
Cost of inventories sold	**(5,050)**	(23,745)
Depreciation	**(685)**	(513)
Exchange losses, net	**(144)**	(13)
Impairment losses on trade receivables recognised	**–**	(3,034)
Loss on disposals of property, plant and equipment	**–**	(953)
Fair value loss of financial assets at fair value through profit and loss, net	**(29)**	(2,237)
Equity-settled share-based payments	**(13,265)**	(21,895)

6. INCOME TAX EXPENSE

No Hong Kong profits tax or similar tax in other jurisdiction have been provided in the financial statements as the Group had no estimated assessable profits arising in Hong Kong or in other tax jurisdiction during the Period (2009: Nil).

7. LOSS PER SHARE

The calculation of the basic loss per share for the Period is based on the loss attributable to the owners of the Company of approximately HK$33,102,000 (2009: approximately HK$42,170,000) and the weighted average number of approximately 1,975,622,600 (2009: approximately 1,485,459,267) ordinary shares in issue during the Period.

Diluted loss per share for the six months ended 30 September 2010 and 2009 is not presented as the impact of the exercise of the share options is anti-dilutive.

8. PROPERTY, PLANT AND EQUIPMENT

	Unaudited			
	Furniture, fixtures and equipment *HK$'000*	**Motor vehicles** *HK$'000*	**Leasehold improvements** *HK$'000*	**Total** *HK$'000*
Six months ended 30 September 2009				
Net book amount at 1 April 2009	697	2,757	1,046	4,500
Additions	62	578	–	640
Disposals	(49)	–	(929)	(978)
Depreciation	(82)	(325)	(106)	(513)
Net book amount at 30 September 2009	628	3,010	11	3,649
Six months ended 30 September 2010				
Net book amount at 1 April 2010	**785**	**2,146**	**751**	**3,682**
Additions	**159**	**–**	**–**	**159**
Depreciation	**(104)**	**(218)**	**(363)**	**(685)**
Exchange differences	**1**	**18**	**–**	**19**
Net book amount at 30 September 2010	**841**	**1,946**	**388**	**3,175**

9. TRADE RECEIVABLES

	At 30 September 2010 Unaudited *HK$'000*	At 31 March 2010 Audited *HK$'000*
Trade receivables	**63,998**	62,525
Less: Provision for Impairment losses	**(58,847)**	(58,847)
Trade receivables, net	**5,151**	3,678

Trade receivables generally have 30 to 90 days' (2009: 30 to 90 days') credit terms and no interest is charged to the Group's business-related customers. The Group has a credit policy in place, and exposures are monitored and overdue balances are reviewed by senior management on an ongoing basis.

Based on the invoice dates, the aging analysis of gross trade receivables is as follows:

	At 30 September 2010 Unaudited ***HK$'000***	At 31 March 2010 Audited *HK$'000*
Within 60 days	**–**	3,678
61 to 90 days	**3,434**	–
91 to 120 days	**1,717**	–
121 to 270 days	**–**	–
271 to 365 days	**29**	4,320
Over 365 days	**58,818**	54,527
	63,998	62,525

The directors of the Company consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

Aging analysis of trade receivables that are not impaired is as follows:

	At 30 September 2010 Unaudited ***HK$'000***	At 31 March 2010 Audited *HK$'000*
Neither past due nor impaired	**3,434**	3,678
Less than 1 month past due	**1,717**	–
1 to 3 months past due	**–**	–
Over 3 months past due	**–**	–
	5,151	3,678

Movement in the provision for impairment losses of trade receivables is as follows:

	Six months ended 30 September 2010 Unaudited ***HK$'000***	Year ended 31 March 2010 Audited *HK$'000*
At 1 April 2010/1 April 2009	**58,847**	27,203
Impairment losses on trade receivables recognised	**–**	31,644
At 30 September 2010/31 March 2010	**58,847**	58,847

10. TRADE PAYABLES

Based on the invoice dates, aging analysis of the trade payables were as follows:

	At 30 September 2010 Unaudited *HK$'000*	At 31 March 2010 Audited *HK$'000*
Within 60 days	–	194
61-90 days	–	6
Over 90 days	–	1,903
	–	2,103

11. SHARE CAPITAL

	Six months ended 30 September 2010 Unaudited		Year ended 31 March 2010 Audited	
	Number of shares *'000*	*HK$'000*	Number of shares *'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.10 each				
At 1 April 2010/1 April 2009	**10,000,000**	**1,000,000**	2,000,000	200,000
Increase in authorised capital *(note a)*	–	–	8,000,000	800,000
At 30 September 2010/31 March 2010	**10,000,000**	**1,000,000**	10,000,000	1,000,000
Issued and fully paid:				
At 1 April 2010/1 April 2009	**1,975,623**	**197,562**	1,294,963	129,496
Placing of new ordinary shares *(note b)*	–	–	558,000	55,800
Exercise of share options *(note c)*	–	–	122,660	12,266
At 30 September 2010/31 March 2010	**1,975,623**	**197,562**	1,975,623	197,562

Notes:

(a) Pursuant to the resolution passed at the annual general meeting of the Company on 30 September 2009, the number of authorised ordinary shares of the Company was increased by 8 billion to 10 billion.

(b) During the year, the Company had carried out equity fund raising activities by placing of new ordinary shares as summarised below:

On 18 June 2009, the Company entered into a placing agreement with a placing agent to issue 258,000,000 placing shares at HK$0.42 per ordinary share (the "1st Placing"). Of the gross proceeds of approximately HK$108,360,000, amounts of HK$25,800,000 and HK$79,733,000, after deduction of issuing expenses of HK$2,827,000, were credited to share capital and share premium accounts respectively. The 1st Placing was completed on 23 June 2009.

On 29 September 2009, the Company entered into placing agreements with placing agents to issue 300,000,000 placing shares at HK$0.53 per ordinary share (the "2nd Placing"). Of the gross proceeds of HK$159,000,000, amounts of HK$30,000,000 and HK$124,925,000, after deduction of issuing expenses of HK$4,075,000, were credited to share capital and share premium accounts respectively. The 2nd Placing was completed on 9 October 2009.

(c) During the year, the Company issued 28,660,000 and 94,000,000 new ordinary shares upon exercises of share options at the subscription prices of HK$0.136 and HK$0.10 per ordinary share respectively.

For options exercised at the subscription price of HK$0.136 per ordinary share, total consideration was approximately HK$3,898,000 of which HK$2,866,000 was credited to share capital and the remaining balance of HK$1,032,000 was credited to the share premium account. A corresponding amount of HK$1,069,000 was transferred from the share-based compensation reserve to the share premium account following the exercise of the share options.

For options exercised at the subscription price of HK$0.10 per share, total consideration of approximately HK$9,400,000 was credited to share capital. A corresponding amount of HK$1,128,000 was transferred from the share-based compensation reserve to the share premium account following the exercise of the share options.

(d) On 6 July 2010 the Company granted options to certain directors, employees and third parties to subscribe for an aggregate of 93,700,000 shares under the Share Option Scheme.

Grantees	**Exercise price** *(HK$)*	**Number of Options**
Directors	0.435	3,900,000
Employees	0.435	18,600,000
Third parties	0.435	71,200,000
		93,700,000

The total fair value, determined by Binomial Option Pricing model, of the options granted as at the date of grant was approximately HK$12,743,000. This amount has been reflected in the condensed consolidated statement of comprehensive income.

Below is the movement of the outstanding share options granted:	**Number of Options**
At 1 April 2010	166,900,000
Granted	93,700,000
Cancelled	(92,100,000)
At 30 September 2010	168,500,000

(e) Subsequent to 30 September 2010, pursuant to the Scheme Mandate Limit, the Company granted options to a Director, employees and third parties to subscribe for an aggregate of 197,560,000 Shares under the Share Option Scheme. The share options may be exercised at any time after the grant. The movement of the outstanding share options granted subsequent to 30 September 2010 is below:–

	Exercise price	**Number of Options**
	HK$	
At 30 September 2010		168,500,000
Granted on 25 October 2010	0.415	197,560,000
Total		366,060,000

12. DIVIDENDS

The Board does not recommend the payment of interim dividend for the Period (2009: Nil).

13. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following significant transactions with related parties.

(a) Significant transactions with related parties:

	Unaudited Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
Share of office expenses receivable from a related company	**414**	–

All transactions as shown above were made in the Group's normal course of business and were made with reference to the terms negotiated between the relevant parties.

(b) Compensation of key management personnel

The directors are of the opinion that the key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and is defined as the Directors and chief executive officer of the Company. Details of the key management emoluments are set out as belows:

	Unaudited Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
Salaries and allowances of key management		
Salaries and allowances	**1,747**	2,705
Contributions to defined contribution plan	**12**	13
Equity-settled share-based payments	**786**	4,857
	2,545	7,575

14. CONTINGENT LIABILITIES

There were no significant contingent liabilities as at 30 September 2010.

15. EVENTS AFTER THE REPORTING DATE

Other than as mentioned elsewhere in these financial statements, the Group has the following event after the reporting date.

Acquisition of a subsidiary

The acquisition of 41.2% equity interest in Anxian Yuan was completed on 19 November 2010. The Group would inject a further sum of RMB80,000,000 (equivalent to approximately HK$91,429,000) to Anxian Yuan as soon as practicable in order to increase the Group's interest in Anxian Yuan to 51%. Being part of the consideration for the acquisition of 41.2% equity interest of Anxian Yuan, the Company issued and allotted 145,000,000 new shares of the Company to the vendors of the acquisition. The issued share capital of the Company was then increased accordingly.

The preparation of HKFRS financial statements of Anxian Yuan and the valuation of its assets and liabilities is in the process. As a result, financial information of Anxian Yuan, including the carrying amount and fair value of the assets and liabilities, has not been disclosed.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OUTLOOK

The Company is diversifying its business into the development and operation of cemetery. Over the past decade, the end of year population of the PRC increased from approximately 1.26 billion in 1999 to approximately 1.33 billion in 2008, representing an increase of approximately 5.58%. According to the China Statistic Yearbook (中國統計年鑒), the population over the age of 65 in the PRC were approximately 7.63% and 9.54% of the total population of the PRC for 1999 and 2008 respectively, representing an increase of approximately 31.94%. The mortality rate of the PRC for 1999 and 2008 were 0.65% and 0.71%, representing an increase of 15.34%. The statistic shows that the PRC is facing aging problem and there is an increasing need and demand for death care services. Ample growth in the funeral services business is expected.

FINANCIAL RESULTS

For the Period, the Group recorded turnover of approximately HK$5.2 million (2009: approximately HK$23.3 million) and net loss of approximately HK$33.1 million (2009: approximately HK$42.2 million). The net loss for the Period was mainly due to administrative expenses of the head office and the preliminary expenses for the preparation of cemetery business coupled with share options expense of approximately HK$13.3 million during the Period.

BUSINESS REVIEW

During the Period, the Group continued the trading of leather, consumer electronic appliances and scrap metal. The turnover of leather trading amounted to approximately HK$5.2 million (2009: approximately HK$10.6 million). No turnover was recorded for the trading of consumer electronic appliances and scrap metal during the Period (2009: approximately HK$8.7 million and HK$4.0 million respectively). Although the Group is increasing effort on new business – the developing and managing cemetery, the Group kept on looking for profitable and relatively low risk transaction on trading of consumer electronic product and scrap metal.

BUSINESS DEVELOPMENT

The acquisition of equity interest in a Sino-foreign joint venture enterprise developing and managing cemetery in Shanghai, the PRC is still undergoing.

On 18 June 2010, the Company entered into an acquisition agreement with independent third parties in relation to (i) the acquisition at a consideration of RMB105,468,750 (equivalent to approximately HK$120,536,000), being acquisition of 41.2% equity interest in Anxian Yuan which engages cemetery business in Hangzhou, the PRC and (ii) the Increase in registered capital of Anxian Yuan at a sum of RMB80,000,000 (equivalent to approximately HK$91,429,000), being further injection to Anxian Yuan so as to increase the Group's equity interest in Anxian Yuan by a further 9.8%. Upon the completion of the agreement, the Company will own, through a nominee, as to 51% equity interest in Anxian Yuan. The acquisition of the above-mentioned 41.2% equity interest was completed on 19 November 2010.

LOOKING FORWARD

The Group intends to expand its existing business to developing and managing cemetery in the PRC, which, the Directors believed has ample growth opportunities due to the growing trend of aged population. Funeral services are a very important component in Chinese social and religious systems. It has been a long tradition in the PRC to hold public decorum and show respect to the deceased. In recent years, the PRC has experienced quick economic development, with concomitant increase in national income. Demand for high quality services has emerged and extended to the funeral services industry. The Directors considered that the above-mentioned proposed acquisitions represent opportunities for the Group to enter into the funeral services industry, and believed that the Group could broaden its source of income by diversifying into such industry.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the net cash outflow was approximately HK$44.4 million (2009: net cash inflow of approximately HK$107.4 million). As at 30 September 2010, the cash and cash equivalents of the Group was approximately HK$111.3 million (at 31 March 2010: approximately HK$155.6 million). The Group had no bank borrowings as at 30 September 2010 and 31 March 2010.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

During the Period, the Group's purchases and sales were mainly denominated in US$. Since HK$ are pegged to US$, significant exposure is not expected in US$ transactions and balances. The PRC subsidiary of the Group was operated in PRC. All transactions, assets and liabilities of the PRC subsidiary were denominated in RMB or US$ and were translated into HK$ at reporting date as a foreign operation. No foreign currency hedge was made during the Period.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 September 2010, the Group had 19 headcounts (including Directors) in Hong Kong (at 31 March 2010: 19 headcounts) and 15 headcounts in PRC (at 31 March 2010: 8 headcounts). The Group regularly reviews remuneration and benefits of employees according to the relevant market practice and individual performance of the employees. In addition to basic salary and mandatory provident fund, employees are entitled to other benefits such as share option scheme, of which the Directors may, at their discretion, grant options to employees of the Group. The remuneration policies of the Group's employees are subject to review regularly.

Total staff costs (including Directors) for the Period amounted to approximately HK$9.5 million (2009: approximately HK$15.4 million), of which contribution to mandatory provident fund and share options expense were approximately HK$75,000 (2009: approximately HK$94,000) and approximately HK$3.6 million (2009: approximately HK$9.7 million) respectively.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 13 October 2009 and 18 June 2010, the Group entered into two separate agreements with independent third parties on the acquisition of companies established in the PRC, which are principally engaged in the development and operation of cemetery in the PRC. Details of the proposed acquisitions are set out in the circulars dated 24 December 2009 and 21 October 2010.

ADDITIONAL INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

During the Period, the Board has adopted and complied with the Code in so far they are applicable with the exception of the deviation from the Code provision A.2.1 which requires that the chairman and chief executive officer roles be separated.

Dr. Leung Chi Wah Earnest ("Dr. Leung"), an executive Director and chief executive officer of the Company was appointed the chairman of the Board on 17 August 2010. The appointment of Dr. Leung as both the chairman and chief executive officer of the Company is not in compliance with Code A.2.1. The Board intends to maintain this structure in the future as it believes that it would provide the Company with strong and consistent leadership and allow the Group's business operations, planning and decision making as well as execution of long term strategies to be carried out more effectively and efficiently. Nonetheless, the Board would review and monitor the situation on a regular basis and would ensure that the present structure would not impair the balance of power in the Company.

The audit committee of the Company has reviewed the Group's unaudited condensed financial statements for the six months ended 30 September 2010.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors of the Company confirmed that they had complied with the required standard set out in the Model Code throughout the Period ended 30 September 2010.

By Order of the Board
China Boon Holdings Limited
Leung Chi Wah Earnest
Chairman and Chief Executive Officer

Hong Kong, 30 November 2010

As at the date of this announcement, the Board comprises two executive directors, namely Dr. Leung Chi Wah Earnest and Mr. Law Fei Shing; one non-executive directors, namely Mr. Yeung Mui Kwan David; and three independent non-executive directors, namely Mr. Law Yui Lun, Mr. So Livius and Mr Yu Ping.

GLOSSARY

In this interim report, the following expressions shall have the following meanings unless the context otherwise requires:

Anxian Yuan	浙江安賢陵園有限責任公司 (in English, for identification purpose only, Zhejiang Anxian Yuan Company Limited), a limited liability company established under the laws of the PRC
Board	The board of Directors
Code	The Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules
Company	China Boon Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on the Stock Exchange
Director(s)	The director(s) of the Company
Group	The Company and its subsidiaries
Electronic Trading	An operating segment of the Group which is engaged in the trading of consumer electronic appliances
HKAS	The Hong Kong Accounting Standards issued by HKICPA
HKFRS	The Hong Kong Financial Reporting Standards issued by HKICPA
HKICPA	The Hong Kong Institute of Certified Public Accountants
Hong Kong	The Hong Kong Special Administrative Region of the PRC
Leather Trading	An operating segment of the Group which is engaged in the trading of leather
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Metal Trading	An operating segment of the Group which is engaged in the trading of scrap metal
Model Code	The Model Code for Securities Transactions by Directors of Listed issuers as set out in Appendix 10 of the Listing Rules

Period	The six months ended 30 September 2010
PRC	The People's Republic of China, which for the purpose of this report exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
Scheme Mandate Limit	the total number of Shares which may be issued upon exercise of all share options to be granted by the Board under the Share Option Scheme to subscribe up to 10% of the Shares in issue as at 30 September 2009, being the date of passing of the relevant ordinary resolution for the refreshment of Scheme Mandate Limit
SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	The ordinary share(s) of HK$0.1 each in the share capital of the Company
Shareholder(s)	Holder(s) of the Share(s)
Share Option Scheme	The share option scheme adopted by the Company on 18 July 2008
Stock Exchange	The Stock Exchange of Hong Kong Limited
HK$	Hong Kong dollars, the lawful currency of Hong Kong
RMB	Renminbi, the lawful currency of PRC
US$	United States dollars, the lawful currency of United States of America
%	Per cent