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**KINGBOARD CHEMICAL HOLDINGS LIMITED**
**建滔化工集團有限公司**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 148)**

**KINGBOARD LAMINATES HOLDINGS LIMITED**
**建滔積層板控股有限公司**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 1888)**

# JOINT ANNOUNCEMENT

## ANNOUNCEMENT RELATED TO THE UNAUDITED CONSOLIDATED QUARTERL RESULTS OF A SUBSIDIAR

KBCF announced its unaudited consolidated results for the three months ended September 30, 2017 on the Singapore Exchange Securities Trading Limited on November 8, 2017.

Pursuant to Rule 705 and Rule 920 (1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Kingboard Copper Foil Holdings Limited ("KBCF" or the "Company"), a public company listed on the Singapore Exchange Securities Trading Limited announced its unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended September 30, 2017 on the website of www.sgx.com of Singapore Exchange Securities Trading Limited on November 8, 2017. The results are prepared in accordance with Singapore Financial Reporting Standards and Interpretations of Financial Reporting Standards.

KBCF is an indirect 82.32%-owned subsidiary of Kingboard Laminates Holdings Limited ("Kingboard Laminates"). In turn, Kingboard Laminates is a 69.30%-owned subsidiary of Kingboard Chemical Holdings Limited ("Kingboard Chemical"). Both Kingboard Chemical and Kingboard Laminates are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

This announcement is made pursuant to Rule 13.09 (2) of the Rules Governing the Listing of Securities on the Stock Exchange and is being released for information purpose only. The following is a reproduction of the results announcement of KBCF.

**SKINGBOARD COPPER FOIL HOLDINGS LIMITED**
**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

## PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERL (Q1,Q2 &Q3) HALF- EAR AND FULL EAR RESULTS

1(a) A [illegible] for the corresponding [illegible]

| | Group | | |
|---|---|---|---|
| | 3 Months ended | | |
| | September 30, 2017 | September 30, 2016 | % Change |
| | *HK$'000* | *HK$'000* | |
| Revenue | 150,120 | 162 | –7.47% |
| Cost of sales | (129,055) | (1 | –10.18% |
| Gross profit | 21,065 | 9 | 13.50% |
| Other operating income | 660 | 585 | 12.82% |
| Distribution costs | (5,179) | ,566) | –6.95% |
| Administrative expenses | (6,384) | (5,298) | 20.50% |
| Share of losses of an associate | (1,110) | (1,788) | –37.92% |

Profit for the period has been arrived at after (crediting) charging:

| | Group | | |
|---|---|---|---|
| | 3 Months ended | | |
| | September 30, 2017 | September 30, 2016 | % Change |
| | *HK$'000* | *HK$'000* | |
| Other operating income including interest income | (660) | (585) | 12.82% |
| Depreciation of property, plant and equipment | 21,642 | 27,196 | –20.42% |
| Amortisation of prepaid land use rights | 270 | 270 | 0.00% |

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | Company | |
|---|---|---|---|---|
| | As at September 30, 2017 | As at December 31, 2016 | As at September 30, 2017 | As at December 31, 2016 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **ASSETS** | | | | |
| **Current assets:** | | | | |
| Cash and bank balances | 1,639,695 | 1,556,470 | – | – |
| Trade and other receivables and prepayments | 76,260 | 84,453 | 166 | 176 |
| Bills receivable | 49,350 | 27,138 | – | – |
| Other current assets | – | 645,931 | – | – |
| Prepaid land use rights | 1,056 | 1,003 | – | – |
| Inventories | 24,650 | 22,371 | – | – |
| Total current assets | 1,791,011 | 2,337,366 | 166 | 176 |

| | Group | | Company | |
|---|---|---|---|---|
| | As at September 30, 2017 | As at December 31, 2016 | As at September 30, 2017 | As at December 31, 2016 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Non-current assets:** | | | | |
| Investments in subsidiaries | – | – | 393,775 | 393,775 |
| Investment in an associate | 36,195 | 40,516 | 13,656 | 13,656 |
| Due from a subsidiary | – | – | 877,346 | 882,039 |
| Investment property | 5,983 | 5,683 | – | – |
| Property, plant and equipment | 326,213 | 360,478 | – | – |
| Prepaid land use rights | 35,749 | 34,709 | – | – |
| Other non-current assets | 680,027 | – | – | – |
| Goodwill | 238 | 238 | – | – |
| Total non-current assets | 1,084,405 | 441,624 | 1,284,777 | 1,289,470 |
| **Total assets** | 2,875,416 | 2,778,990 | 1,284,943 | 1,289,646 |
| **LIABILITIES AND EQUITY** | | | | |
| **Current liabilities:** | | | | |
| Due to a subsidiary | – | – | 2,721 | 2,721 |
| Bills payable | 3,953 | 11,481 | – | – |
| Trade and other payables | 88,122 | 104,527 | 2,423 | 2,423 |
| Income tax payable | 8,463 | 8,366 | 38 | 38 |
| Total current liabilities | 100,538 | 124,374 | 5,182 | 5,182 |
| **Capital and reserves attributable to owners of the Company:** | | | | |
| Share capital | 560,200 | 560,200 | 560,200 | 560,200 |
| Reserves | 2,185,906 | 2,068,980 | 719,561 | 724,264 |
| Equity attributable to owners of the Company | 2,746,106 | 2,629,180 | 1,279,761 | 1,284,464 |
| Non-controlling interests | 28,772 | 25,436 | – | – |
| **Total equity** | 2,774,878 | 2,654,616 | 1,279,761 | 1,284,464 |
| **Total liabilities and equity** | 2,875,416 | 2,778,990 | 1,284,943 | 1,289,646 |

1( ) A [illegible] amount of the group's borrowings and debt [illegible].

*Amount repayable in one year or less, or on demand*

| As at September 30, 2017 | | As at December 31, 2016 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| – | – | – | – |

*Amount repayable after one year*

| As at September 30, 2017 | | As at December 31, 2016 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| – | – | – | – |

*Details of any collateral*

Not applicable.

1( ) A [illegible] half of [illegible] (for the group), [illegible] with [illegible] for the corresponding period of the immediately preceding financial [illegible].

| | 3 Months ended | |
|---|---|---|
| | September 30, 2017 | September 30, 2016 |
| | *HK$'000* | *HK$'000* |
| **Operating activities:** | | |
| Profit before tax | 9,052 | 6,492 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 21,642 | 27,196 |
| Amortisation of prepaid land use rights | 270 | 270 |
| Interest income | (477) | (463) |
| Share of losses of an associate | 1,110 | 1,788 |

| | 3 Months ended | |
|---|---|---|
| | **September 30, 2017** | **September 30, 2016** |
| | *HK$'000* | *HK$'000* |
| Operating cash flow before movements in working capital | 31,597 | 35,283 |
| Trade and other receivables and prepayments | (9,063) | 2,533 |
| Bills receivable | (1,083) | (11,800) |
| Inventories | (1,385) | 4,120 |
| Trade and other payables | 2,405 | 546 |
| Bills payable | 166 | (209) |
| Cash generated from operations | 22,637 | 30,473 |
| Income tax paid | (2,341) | (1,627) |
| Interest received | 477 | 463 |
| Net cash from operating activities | 20,773 | 29,309 |
| **Investing activities:** | | |
| Purchase of property, plant and equipment | (1,399) | – |
| Net cash used in investing activities | (1,399) | – |
| Net increase in cash and bank balances | 19,374 | 29,309 |
| Cash and bank balances at the beginning of the period | 1,602,548 | 1,464,390 |
| Effect of exchange rate changes on the balance of cash and bank held in foreign currencies | 17,773 | (6,170) |
| **Cash and bank balances at the end of the period** | 1,639,695 | 1,487,529 |

**1(d)** **A statement of comprehensive income (for the [illegible] and the corresponding [illegible] of the immediately preceding financial [illegible].**

| | Group | | Company | |
|---|---|---|---|---|
| | 3 Months ended | | 3 Months ended | |
| | September 30, 2017 | September 30, 2016 | September 30, 2017 | September 30, 2016 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Profit (loss) for period | 6,629 | 4,447 | (1,259) | (1,118) |
| Other comprehensive income (expense): | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | |
| Exchange difference arising on translation to foreign operations | 43,529 | (15,921) | – | – |
| Total comprehensive income (expense) for the period | 50,158 | (11,474) | (1,259) | (1,118) |
| Total comprehensive income (expense) attributable to: | | | | |
| Owners of the Company | 48,606 | (12,306) | (1,259) | (1,118) |
| Non-controlling interests | 1,552 | 832 | – | – |
| | 50,158 | (11,474) | (1,259) | (1,118) |

1(a)(i) A statement of changes in equity (for the issuer and group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Attributable to equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Capital reserve | Foreign exchange reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Group** | | | | | | | | |
| Third Quarter 2017 ("Q3 2017") | | | | | | | | |
| Balance at July 1, 2017 | 560,200 | 296,573 | 7,287 | 362,388 | 1,471,052 | 2,697,500 | 27,220 | 2,724,720 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | – | – | – | – | 5,670 | 5,670 | 959 | 6,629 |
| Other comprehensive income for the period | – | – | – | 42,936 | – | 42,936 | 593 | 43,529 |

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

6 Earnings per share attributable to the owners of the Company for the period

| | 3 months from Jul 1, 2017 to Sep 30, 2017 | 3 months from Jul 1, 2016 to Sep 30, 2016 |
|---|---|---|
| Based on the weighted average number of ordinary shares in issue | 0.78 HK cents | 0.47 HK cents |
| On a fully diluted basis | 0.78 HK cents | 0.47 HK cents |

7 Net asset value per share of the Company based on issued share capital at the end of the period:

(a) the owners of the Company; and

(b) non-controlling interests.

| | Group | | Company | |
|---|---|---|---|---|
| | Sep 30, 2017 | Dec 31, 2016 | Sep 30, 2017 | Dec 31, 2016 |
| Net asset value per ordinary share based on issued share capital at the end of the period reported on | 380.08 HK cents | 363.90 HK cents | 177.13 HK cents | 177.78 HK cents |

8 As at the date of the announcement, the Board comprises seven Directors and the Board's composition is as follows:

(a) Mr. Cheung Kin Piu, Valiant, Mr. Cheung Ka Shing, Cliff and Mr. Cheung Ka Fai, Watson (the Executive Directors); and

(b) Mr. Lee Ka Lun, Mr. Lee Peng Fei, Allen and Mr. Ho Yeung (the Independent Non-executive Directors).

On behalf of the Board of Directors, it is my pleasure to present the financial results of Kingboard Copper Foil Holdings Limited ("the Company") and its subsidiaries (together with the Company, "the Group") for the third quarter of 2017 ("Q3 2017"). Revenue for the current quarter comprised (i) the receipt of license fee of HK$30 million pursuant to the on-going licensing arrangement and (ii) the

sale of polyvinyl butyral ("PVB") resin for HK$120 million, a basic raw material for the production of PVB film which is used to produce reinforced glass for both automotive industry and buildings. The Group's turnover decreased 7% to HK$150 million against the third quarter of 2016 ("Q3 2016") and net profit attributable to owners of the Company for Q3 2017 was HK$5.7 million. Gross profit margin were 11.4% in Q3 2016 and 14% in Q3 2017.

Distribution costs in Q3 2017 decreased 7% to approximately HK$5.2 million, which is in line with the decrease in turnover. Administrative expenses in Q3 2017 increased by 21% against Q3 2016. The increase represents the associated professional fees in relation to the voluntary unconditional cash offer rolled out in March to May 2017.

Our financial position continued to be sound. As at September 30, 2017, net current assets and current ratio were approximately HK$1,690 million and 17.8 respectively. Current assets mainly comprised cash and bank balances of HK$1,640 million, trade and other receivables and prepayments of HK$76 million, bills receivables of HK$49 million and inventories of HK$25 million. As at the end of Q3 2017, the Company's interest in Linkfit Investment Holdings Limited ("Linkfit"), a private company incorporated in Samoa, was 29.67%. The unquoted equity shares were stated at costs less accumulated impairment losses at the end of the reporting period.

**9** **Wh[illegible]**

Not applicable.

**10** **A [illegible]**

**L [illegible]**

At the Annual General Meeting of the Company held on April 29, 2011, the shareholders of the Company did not approve the renewal of the mandate ("Shareholders' Mandate") to enable the Group to enter into interested person transactions with Kingboard Chemical Holdings Limited and its associates (together, the "Interested Persons"). The Company has entered into a licensing agreement, as amended by the letters of extension and amendments dated August 30, 2013 and August 28, 2015, to license the properties, inventory and machinery that were previously used for the production of copper foil with effect from September 1, 2011 to [(August)12.5bumaiuust for Cocrcers' arangeme21

**PVB B[illegible]**

The economic growth rate in the People's Republic of China (the "PRC") is continued to maintain at a low level. The first tier and second tier cities in the PRC have imposed restriction orders on residential units, which has affected the real estate industry and hence the construction industry. In this regard, PVB business has also been affected. However, the Group has successfully ventured into India, one of the emerging market with great opportunities and potential in the PVB market. Sales to India accounted for approximately 3% of PVB sales for the nine months period ended September 30, 2017. The Group will continue to improve the production efficiency, reducing the defect rate, lowering the production costs and shortening the lead time so as to deliver greater returns to the shareholders.

**L[illegible]**

On August 3, 2011, a petition was filed in the Supreme Court of Bermuda (the "Court") in respect of the Company on the grounds of oppressive or unfair prejudicial conduct by Annuity & Re Life Limited (a minority shareholder of the Company). The Company and its majority shareholders are named as respondents in the proceedings. The Company takes a neutral stance in these proceedings. The trial of the petition took place in September 2015. The Court handed down its judgement on November 10, 2015. The Court found that the allegation that the terms of the previous interested person transaction sales constituted preferential transfer pricing which was prejudicial to minority shareholders was not proved; and the allegation that the terms of license agreement were wholly uncommercial and the licencee was a sham was also not proved. However, the Court ruled that the Company's management should have promptly initiated bona fide open negotiations in which commercially reasonable proposals should be openly tabled with a view to persuading the non-controlling shareholders to approve the interested person transactions mandate on even marginally more favourable terms. The majority shareholders respondents filed a notice of appeal on December 23, 2015 relating to the unfavourable ruling of the first instance judgement. The appeal hearing took place in the Court of Appeal of Bermuda on March 6 to 7, 2017. The Court of Appeal of Bermuda handed down a written judgement on March 24, 2017, allowing the appeal of the majority shareholders respondents. Annuity & Re Life Limited filed a notice of motion for leave to appeal to the Privy Council on April 13, 2017 and was granted leave to appeal on June 16, 2017. The Company will make further announcement as and when necessary to keep shareholders informed of material developments in this matter.

**11 D d d.**

**( ) C F P od R p o d o**

Any dividend declared for the current financial period reported on? None.

**( ) Co p o d P od df h I d 2 P d F**

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

**( ) D P 2**

Not applicable.

**(d) Boo o 2 d**

Not applicable.

**12 I o d d d h d o d/ o d d, o h ff f RU52.0677 T**

**16** **A [illegible] do[illegible]df [illegible].**

Not applicable.

*As at the date of this announcement, the board of directors ("Board") of Kingboard Chemical consists of Messrs. Cheung Kwok Wing, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Cheung Ka Shing and Chen Maosheng, being the executive directors, Messrs. Cheung Ming Man, Chong Kin Ki, Leung Tai Chiu and Chan Wing Kee being the independent non-executive directors.*

*As at the date of this announcement, the Board of Kingboard Laminates consists of Messrs. Cheung Kwok Wa, Cheung Kwok Keung, Cheung Kwok Ping, Lam Ka Po, Cheung Ka Ho, Liu Min and Zhou Pei Feng, being the executive directors, Mr. Lo Ka Leong, being the non-executive director, and Messrs. Leung Tai Chiu, Ip Shu Kwan, Stephen, Zhang Lu Fu and Lau Ping Cheung, Kaizer being the independent non-executive directors.*