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KB

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)

KB

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

IN RELATION TO KINGBOARD COPPER FOIL HOLDINGS LIMITED

Reference is made to the joint announcements of Kingboard Chemical Holdings Limited ("**Kingboard Chemical**") and Kingboard Laminates Holdings Limited ("**Kingboard Laminates**") dated 3 March 2017, 6 March 2017, 20 March 2017, 22 March 2017, 30 March 2017 and 31 March 2017 in relation to the voluntary unconditional cash offer (the "**Offer**") by Excel First Investments Limited 卓先投資有限公司 (the "**Offeror**") for all the issued and paid-up ordinary shares in the capital of Kingboard Copper Foil Holdings Limited ("**KBCF**"), other than those which are owned, controlled or agreed to be acquired by the Offeror or by parties acting in concert or deemed to be acting in concert with the Offeror in relation to the Offer.

This announcement is made by Kingboard Chemical and Kingboard Laminates pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and is being released for information purpose.

KBCF, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Singapore Exchange Securities Trading Limited, is an indirect 69.66%-owned subsidiary of Kingboard Laminates. In turn, Kingboard Laminates is a 72.59%-owned subsidiary of Kingboard Chemical. Both Kingboard Chemical and Kingboard Laminates are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The following is a reproduction of the document published on the website of www.sgx.com of Singapore Exchange Securities Trading Limited under KBCF on 3 April 2017 in relation to the Offer.

CIRCULAR DATED 3 APRIL 2017

THIS CIRCULAR IS ISSUED BY KINGBOARD COPPER FOIL HOLDINGS LIMITED. THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker,

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S$ and cents

US$

per cent. or %

DEFINITIONS

acting in concert **associates**

Depositor **Depository Agent** **Depository Register**

Offer Document

you **your** **yours**

subsidiary **associated company**

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Bye-Laws are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Bye-Laws respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

expect **anticipate** **believe** **intend** **project** **plan** **strategy** **forecast** **will** **would** **should** **could** **may** **might**

INDICATIVE TIMELINE

Date of despatch of Offer Document

Date of despatch of this Circular

Closing Date

Date of settlement of consideration for valid acceptances of the Offer

Notes:

KINGBOARD COPPER FOIL HOLDINGS LIMITED

Directors:

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether or not to accept the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1 Principal Terms

2.2 Terms of the Offer

2.3 Offer Price

S$0.40 in cash

2.4 Rights and Encumbrances

2.7 Duration of the Offer

The Offer will close at 5:30 p.m. (Singapore time) on 17 April 2017 (or such other date(s) as may be announced by or on behalf of the Offeror from time to time), being the Closing Date.

2.8 Further Details

Appendix 1

2.9 Procedure for acceptance

Appendix 2

2.10 No irrevocable undertakings

3. INFORMATION ON THE OFFEROR AND KINGBOARD CHEMICAL GROUP

3.1 Offeror

Appendix 3

"2. ***PRINCIPAL ACTIVITIES AND ISSUED SHARES***

*The Offeror is a BVI business company incorporated in the British Virgin Islands on 22 March 2006. Its principal activity is that of investment holding. As at the Latest Practicable Date, the Offeror has issued only 1 share with a par value of US$1.00 per share. As at the Latest Practicable Date, the directors of the Offeror ("**Directors**") are Mr. Cheung Kwok Wa, Mr. Cheung Kwok Ping and Mr. Cheung Ka Ho.*

The Offeror is a wholly-owned subsidiary of Kingboard Laminates, which is listed on The Stock Exchange of Hong Kong Limited. As at the Latest Practicable Date, the directors of Kingboard Laminates are Mr. Cheung Kwok Wa, Mr. Cheung Kwok Keung, Mr. Cheung Kwok Ping, Mr. Lam Ka Po, Mr. Cheung Ka Ho, Mr. Liu Min, Mr. Zhou Pei Feng, Mr. Lo Ka Leong, Mr. Leung Tai Chiu, Mr. Ip Shu Kwan, Stephen, Mr. Zhang Lu Fu and Mr. Lau Ping Cheung, Kaizer.

Kingboard Laminates is, in turn, a 72.59% owned subsidiary of Kingboard Chemical, and also listed on The Stock Exchange of Hong Kong Limited. The Kingboard Chemical Group has business activities ranging from manufacture and sale of, among others, laminates, printed circuit boards, chemicals, liquid crystal displays and magnetic products, and property development and investment. As at the Latest Practicable Date, the directors of Kingboard Chemical are Mr. Cheung Kwok Wing, Mr. Chang Wing Yiu, Mr. Cheung Kwong Kwan, Mr. Ho Yin Sang, Ms. Cheung Wai Lin, Stephanie, Mr. Cheung Ka Shing, *Additional information on Kingboard Laminates and Kingboard Chemical can be found at their websites at http://www.kblaminates.com and http://www.kingboard.com, respectively."*

3.2 Further information

Appendix 3

4. INFORMATION ON THE COMPANY

5. RATIONALE FOR THE OFFER

"9.1 Intention to Delist and Privatise the Company

The Offeror intends to make the Offer with a view to delist the Company from the SGX-ST and, ultimately, to privatise the Company.

9.2 Opportunity for Minority Shareholders to Realise their Investment in the Shares at a Premium

The Offer Price is at a premium above the historical market prices of the Shares over the last twelve-month period up to the Offer Announcement Date. The Offer Price represents an approximate 17.6% premium above the closing price on the Last Traded Day, and an approximate 28.3%, 32.9%, 39.5% and 49.1% premium above the VWAP per Share for the one-month, three-month, six-month and 12-month period prior to and including the Last Traded Day, respectively.

Shareholders who tender their Shares pursuant to the Offer will have an opportunity to realise their investment in the Company for a cash consideration at a premium above the historical market share prices, without incurring any brokerage and other trading costs.

9.3 Compliance Costs of Maintaining Listing

The Company incurs compliance and other related costs associated with maintaining its listing status. The delisting of the Company will eliminate listing related expenses which can be channelled towards its business operations."

The Offeror currently has no intentions to (a) introduce any major changes to the existing business or management of the Group, (b) discontinue the employment of the employees

options or opportunities in relation to the Group which may present themselves and which the Offeror may regard to be in the best interests of the Offeror or the Group."

7. COMPULSORY ACQUISITION AND LISTING STATUS

12.1 Delisting

The Offeror does not intend to preserve the listing status of the Company. Under Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received that bring the holdings of the Shares owned by the Offeror Concert Group to above 90% of the total number of Shares in issue excluding treasury shares, the SGX-ST may

that at least 10% of the Shares in issue excluding treasury shares are hen8f70003FJ/TT47es are h7316 of the Listing Manund quirg are h7097 Tw Tt 10% othe total number otreasury sharin thao Free thaf

*(“**Approval Threshold**”), the offeror may at any time within two months beginning from the date on which the Approval Threshold is achieved, give notice under Section 102(1) of the Bermuda Companies Act to any dissenting shareholder that the offeror wishes to acquire his shares (“**Acquisition Notice**”). When such Acquisition Notice is given, upon the expiry of one month from the date on which the notice was given, the offeror will be entitled and bound to acquire those shares on the same terms as the offer (unless an application is made by the dissenting shareholder(s) to the Supreme Court of Bermuda (“**Court**”) within one month from the date on which the*

*Section 102(2) of the Bermuda Companies Act provides that where, pursuant to such a scheme or contract, shares in the Target are transferred to an offeror or its nominee, and those shares together with any other shares in the Target held by, or by a nominee for, the offeror or its subsidiary comprise 90% in value of the shares in the Target, the offeror must within one month from the date of the transfer give notice of that fact to the dissenting shareholder(s) of the Target, and any such shareholder may within three months from the giving of the said notice to him, give notice (an “**Offeree Notice**”) requiring the offeror to acquire his shares in the Target. Where a dissenting shareholder gives an Offeree Notice with respect to any shares in the Target, the offeror will be entitled and bound to acquire those shares on the same terms of the original offer (or on such other terms as may be agreed or as the*

to order).

*Under Section 103 of the Bermuda Companies Act, the holders of not less than 95% of the shares in a Bermuda-incorporated company (“**Purchasers**”) may give notice (“**Section 103 Acquisition Notice**”) to the remaining shareholders of the intention to acquire their shares on the terms set out in the Section 103 Acquisition Notice. When such Section 103 Acquisition Notice is given, the Purchasers will be entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the Section 103 Acquisition Notice unless a remaining shareholder applies to the Court to have the Court appraise the value of such shares.*

The Offeror intends to make the Company its wholly-owned subsidiary. ***Accordingly, if entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 102 and Section 103 of the Bermuda Companies Act.***

Shareholders who are in doubt of their position under the Bermuda Companies Act are advised to seek their own independent legal advice.”

9. ADVICE OF THE IFA

9.1 IFA

Shareholders who wish to realise their investments in the Company can also choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs)."

10. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

CONCUR

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable lae lae lae 9ing such c

Date. It is the responsibility of the Overseas Shareholder who wishes to request for the Offer Document, the FAA and/or the FAT and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities and legal requirements. In requesting for this Offer Document, the FAA and/or the FAT and any related documents, the Overseas Shareholder represents and warrants to the Offeror and Religare that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities and legal requirements.

15.4 Notices

Each of the Offeror and Religare reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published or

given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement."

11.2 Copies of Circular

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Appendix 2

13. RESPONSIBILITY STATEMENT

14. ADDITIONAL INFORMATION

Ong Tiong Wee

PROVENANCE CAPITAL PTE. LTD.
(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

3 April 2017

To: The Independent DirecTm(1)Tj2644 depItfn Kl 44 dbo 44 dard CopIpp-3 (er F)]TJ dnl15.6 HIol-10 do .1 (t-5 de)4 (pIL)-

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of the Group ("**Management**") and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its other professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. Nonetheless, we have made reasonable enquires and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

The Directors have confirmed, having made all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

We have not made any independent evaluation or appraisal of the assets or liabilities of the Company or the Group (including without limitation, property, plant and equipment). However, we have been provided with:

(a) four valuation summary letters dated 17 February 2017 ("**Valuation Summary Letters**") from Roma Appraisals Limited ("**Roma**" or "**Valuer**"), an independent valuer. Roma was appointed by the Company to carry out an independent valuation of certain assets of the Group ("**Valuation Assets**"), including leasehold properties and plant and equipment that are classified as licenced assets of the Group, as at 31 December 2016 for accounting reference purposes. We understand from the Company that the above valuations were carried out to assess the need for any impairment to these assets for the purpose of reporting the statement of financial position of the Group as at 31 December 2016, and not for the purpose of the Offer; and

(b) in connection with and for the purpose of the Offer, the Company had commissioned Roma to issue a valuation certificate ("**Valuation Certificate**") in respect of the Valuation Assets. The Valuer had confirmed that the market valuations of the Valuation Assets as at 31 December 2016 are still valid up to 30 March 2017. We note that the market valuations of the Valuation Assets as set out in the Valuation Summary Letters remain unchanged in the Valuation Certificate in respect of these Valuation Assets.

A copy of the above Valuation Certificate dated 30 March 2017 is attached as Appendix VI to the Circular.

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the independent valuation by Roma for such asset appraisal and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation contained in the Valuation Certificate consideration of the Offer, as the case may be, which may be released after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Shareholder. As each Shareholder may have different investment profiles and objectives, we advise the Independent Directors to recommend that any Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review or verification of the Circular. Accordingly, we take no responsibility for and express no view, whether expressed or implied, on the contents of the Circular.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes at any time and in any manner, other than for the purpose of the Offer, without the prior written consent of Provenance Capital in each specific case.

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Offer. The recommendations made to the Shareholders in relation to the Offer, as the case may be, shall remain the responsibility of the Independent Directors.

Our recommendation to the Independent Directors in relation to the Offer should be considered in the context of the entirety of this Letter and the Circular.

3. THE OFFER

The detailed terms of the Offer are set out in Section 2 of the Offer Document dated 20 March 2017. The key terms of the Offer are set out below for your reference.

3.1 Offer Price

The Offer will be made at **S$0.40 in cash** for each Offer Share.

3.2 Offer Shares

The Offer is extended, on the same terms and conditions, to all the Offer Shares. The Offer

Further details on the above are disclosed in Section 10 of the Circular.

Proposed Scheme of Arrangement to privatise the Company in 2009

Some eight years ago, on 4 May 2009, the respective boards of the Company and Kingboard Laminates had proposed to privatise the Company by way of a scheme of arrangement ("**Scheme**"). Pursuant to the Scheme, *inter alia*, the consideration for each Share was (a) S$0.21 in cash or (b) 0.374 new Kingboard Laminates shares at the issue price of HK$2.946 each or (c) a combination of the cash consideration and the share exchange offer. At the Scheme meeting of the Company held on 11 August 2009, the requisite majority to vote in favour of the Scheme was not obtained. Accordingly, the Scheme was not proceeded with.

The present Offer is a second attempt by the major Shareholders to privatise the Company. We note that the Offer Price of S$0.40 is substantially higher (90.5% higher) than the cash consideration of S$0.21 under the Scheme.

6. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions for the Company are set out in Section 9 and Section 10 of the Offer Document.

The key rationale for the Offer is summarised below for your reference:

(a) the Offeror is making the Offer with the intention to delist the Company from the SGX-ST and ultimately to privatise the Company;

(b) to give minority Shareholders the opportunity to realise their investment in the Shares at a premium above historical market prices prior to the Offer Announcement Date; and

(c) to eliminate listing related expenses which can be channelled towards business operations of the Group.

The Offeror has stated that it currently has no intentions to (i) introduce any major changes to e

(b) Financial performance of the Group;

(c) Financial position of the Group;

(d) Comparison with recently completed privatisation of companies listed on the SGX-ST;

(e) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;

(f) Dividend track record of the Company; and

(g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.

Since the Offer Announcement Date and up to the Latest Practicable Date, the Shares have consistently traded above the Offer Price, up to S$0.425 based on daily closing prices. Daily trading volume on the Shares during this period had increased significantly compared to the average daily trading volume prior to the release of the Offer Announcement.

Longer look-back period

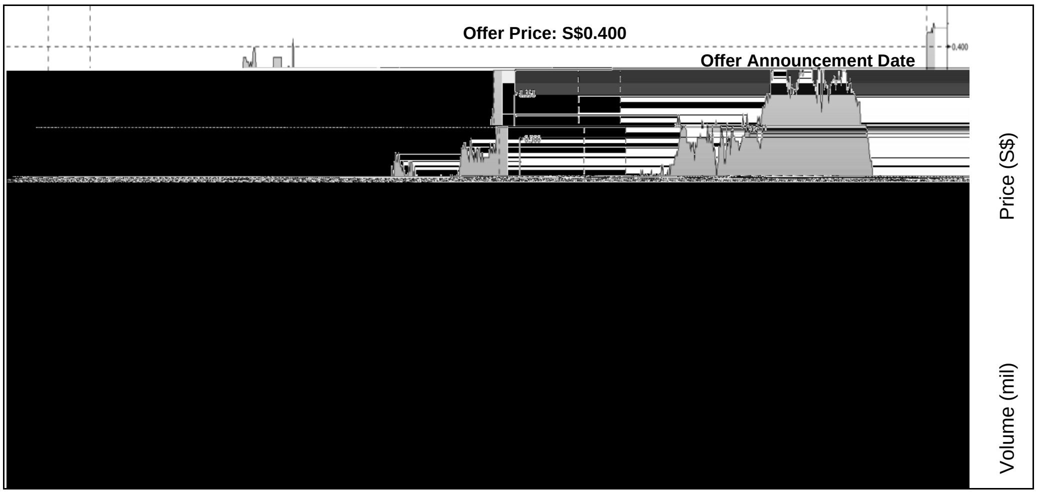
Privatisation attempt under the Scheme in 2009

We note that the Offer is a second attempt by the major Shareholders to privatise the Company and at a higher Offer Price of S$0.40 in cash compared to the cash consideration of S$0.21 per Share under the Scheme. The Scheme did not proceed further as the Company did not secure the requisite approvals from its Shareholders then.

We note that the Company had not accessed funds from the equity capital markets over the last eight years since the proposed Scheme was terminated and up to the Latest Practicable Date.

To get an overview of the Share price performance since the proposed Scheme, we have considered a longer look-back period of the share price chart from January 2009 to the Latest Practicable Date to evaluate how the Share prices have performed compared to the Offer Price, as set out in Chart 2 below:

Chart 2 – Since January 2009 to the Latest Practicable Date



***Source**: Bloomberg L.P.*

Based on the chart above, prior to the announcement of the Scheme on 4 May 2009, the Shares were trading below the cash consideration of S$0.21 under the Scheme. As soon as the Scheme was announced on 4 May 2009, the Shares had consistently traded above S$0.21. The Share price continued to escalate upwards even after the termination of the Scheme was announced on 11 August 2009, reaching a high of S$0.408 on 28 February 2011 and 1 March 2011. In the subsequent period thereafter around mid-2011, the Share price had fallen significantly and generally traded below the cash consideration of S$0.21 until around March 2016 when Share prices traded above S$0.21 and up to S$0.30 in February 2017.

Overall, the Offer Price under this second attempt by the major Shareholders to privatise the Company is substantially above the historical traded Share price over the last six years since mid-2011.

Market Statistics

In addition to the share price chart above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares for the Period Under Review.

Reference period	Highest traded price (S$)	Lowest traded price (S$)	VWAP(1) (S$)	Premium / (Discount) of Offer Price over/(to) VWAP (%)	Number of traded days(2)	Average daily trading volume(3) ('000)	Average daily trading volume as a percentage of free float(4) (%)
Prior to the trading halt and the release of the Offer Announcement							
Last 1 year	0.345	0.180	0.268	49.1	207	157	0.09
Last 6 months	0.345	0.210	0.287	39.5	103	120	0.07
Last 3 months	0.345	0.260	0.301	32.9	57	161	0.09
Last 1 month	0.345	0.275	0.312	28.3	20	387	0.22
27 February 2017 (last trading day prior to the trading halt for the Offer Announcement)	0.340	0.320	0.334	19.9	1	492	0.28
After the Offer Announcement Date to the Latest Practicable Date							
6 March 2017 to the Latest Practicable Date	0.435	0.405	0.413	(3.1)	15	1,973	1.14
Latest Practicable Date	0.425	0.415	0.419	(4.6)	1	871	0.50

***Source**: Bloomberg L.P.*

Notes:

(1) The VWAP for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume as extracted from Bloomberg L.P.. VWAP turnover is computed based on the aggregate daily turnover value of the Shares and VWAP volume is computed based on the aggregate daily trading volume of the Shares for the respective periods. Off market transactions are excluded from the calculation;

(2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;

(3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts on the Shares) during that period; and

(4) Free float refers to the Shares other than those directly and deemed held (n)-4 8 (es)-neiod;

(b) The Offer Price represents a premium of approximately 49.1%, 39.5%, 32.9% and 28.3% above the VWAP of the Shares for 1-year, 6-month, 3-month and 1-month periods prior to the trading halt and the release of the Offer Announcement, respectively;

(c) The Offer Price represents a premium of approximately 19.9% above the VWAP of the Shares of S$0.334 on 27 February 2017, prior to the trading halt and the release of the Offer Announcement; and

(d) Since the release of the Offer Announcement and up to the Latest Practicable Date, the Shares had traded above the Offer price, at up to S$0.435. The VWAP of the Shares during this period was S$0.413. As at the Latest Practicable Date, the Shares were last transacted at S$0.420. The Offer Price is at a discount of 4.8% to the last transacted price on the Latest Practicable Date.

We observed the following with regard to the trading liquidity of the Shares:

(i) Over the 1-year period prior to the trading halt and the release of the Offer Announcement, the Shares were regularly traded throughout the period. However, the average daily trading volume of the Shares were generally low. The average daily trading volume of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the release of the trading halt and the release of the Offer Announcement represent 0.09%, 0.07%, 0.09% and 0.22% of the free float of the Shares respectively; and

(ii) During the period following the release of the Offer Announcement and up to the Latest Practicable Date, the average daily trading volume on the Shares increased to 1.14% of the free float of the Shares.

In view of the low trading liquidity of the Shares, Shareholders who wish to liquidate their entire investment in the Shares (especially if they are holding bigger share lots) may face some difficulty disposing of their Shares in the open market. The Offer presents Shareholders the opportunity to liquidate and realise their entire investment at a premium above the prevailing market prices which may not otherwise be readily available due to the low trading liquidity of the Shares.

7.2 Financial performance of the Group

We set out below a summary of the key financial results of the Group for the last three financial years ended 31 December 2014, 2015 and 2016, that is, FY2014, FY2015 and FY2016:

	← Audited	→	Unaudited
HK$'000	**FY2014**	**FY2015**	**FY2016**
Revenue	519,945	624,344	635,296
Cost of sales	(447,689)	(558,438)	(566,650)
Gross profit	72,256	65,906	68,646
Other operating income	2,068	3,064	2,057
Distribution costs	(11,010)	(15,520)	(16,680)
Administrative expenses	(18,658)	(26,334)	(28,569)
Other operating expenses	(18)	(1,597)	-
Finance cost	(595)	(87)	-
Share of losses of an associate	(8,938)	(7,766)	(9,666)
Profit before tax	**35,105**	**17,666**	**15,788**
Income tax expense	(12,260)	(11,260)	(10,855)
Profit for the year	**22,845**	**6,406**	**4,933**
Profit for the year attributable to:			
Owners of the Company	18,666	2,841	1,061

HK$'000	Audited FY2014	Audited FY2015	Unaudited FY2016
Non-controlling interests	4,179	3,565	3,872
	22,845	**6,406**	**4,933**

Source:

<u>Historical Price-Earnings Ratio ("**PER**") implied by the Offer Price</u>

PER illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter asof (i)6 e (s)-1.157 TD[15 0 Td[(10 (th)8 (d)9 (c)5 (,) (s)6 t a)4-3 (s)5 (r)2 uecureR of a company*

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HK$'000	Unaudited as at 31 December 2016

Of the Group's PPE of HK$360.5 million, HK$315.9 million pertains to assets which are licensed to Harvest Resource pursuant to the Licensing Agreement. These assets comprised leasehold properties and improvements of HK$182.5 million, and plant and equipment of HK$133.4 million. The leasehold properties are located in (i) Shijiao Town, Fogang, PRC; (ii) Tangtang Town, Huanghuahu Development Area, Fogang, PRC; and (iii) Lianzhou Town, Lianzhou, PRC. These assets are recorded at cost less accumulated depreciation and any accumulated impairment losses in accordance with the accounting policies of the Group. The above entire licensed assets have been subject to valuation by the Valuer.

The Group also leases part of its factory at Cheng Bei Area, Lianzhou City, Guangdong, PRC to an unrelated third party and is recorded as an investment property (HK$5.7 million). The investment property is stated at the revalued amount, based on the valuation by the Valuer, in accordance with the accounting policy of the Group.

The land use rights are in relation to the rights over the state-owned land in the PRC where the Group's leasehold properties and investment property reside. The land use rights have remaining tenures ranging from 37 years to 40 years as at 31 December 2016. These land use rights are recorded at cost less accumulated amortisation. Most of the land use rights of the Group (mostly classified as non-current assets and a small amount classified under current assets) have been subjected to the valuation exercise by the Valuer.

Please see below for further details on the valuation of these assets under the caption "Valuation exercise" in Section 7.3.2 below.

Liabilities and Equity

The Group has current liabilities in relation mainly to trade and other payables of HK$104.5 million and bills)p(3.253 0 [ )-)-5.9 (n(el)7 (a)-9 (t[ )0.9 (i)-5-13 ((ai)7 ()5 (s)-5 (i)5 (ti)-5 n)0.7 ( )5 -6 (.i)-6 ((pa

million T1.675[ )0.9 (i)-6 (.)-34.(e)-9.9rv i atc2,164 (6be)-79.0-3-1.4 ()-6 ((ai)7 ()5 (s)-5 (i)5 (ti)-5 nn)-1, ( )

	Total net book value as at 31 December 2016 (HK$'000)	Net book value of assets that were subject to the valuation exercise (HK$'000)	Percentage of assets subject to the valuation exercise
Investment property	5,683	5,683	100.0%
PPE[(1)]			

seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

The Valuer had considered three different approaches to value the machineries and equipment, namely the cost approach, sales comparison approach and the income approach. In arriving at the market value of the machineries and equipment, the Valuer had relied on the income approach on the basis of capitalisation of the rental incomes, and where appropriate, by reference to the market price of the assets with appropriate adjustments upon their conditions up to the date of valuation.

A summary of the market values of the Valuation Assets is set out below:

Accordingly, the revalued NTA ("**RNTA**") of the Group as at 31 December 2016 is computed as follows:

	HK$'000
Unaudited NTA of the Group as at 31 December 2016	2,628,942
Add: Revaluation surplus	253,433
Less: Potential tax liability arising from the revaluation surplus	(63,358)
RNTA of the Group as at 31 December 2016	2,819,017
RNTA per Share	
- **HK$**	**3.9018**
- **S$**	**0.7086**

Based on the above, the RNTA per Share of S$0.7086 as at 31 December 2016 is 7.2% higher than the NTA per Share of S$0.6608 as at 31 December 2016.

7.3.3 Price-to-RNTA ("P/RNTA") ratio of the Group implied by the Offer Price

The net asset backing of the Group is measured by its NAV, NTA or revalued NAV, revalued NTA value.

The NAV and NTA based valuation approach provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

The NAV based valuation approach shows the extent to which the value of each Share is backed by both the Group's tangible and intangible assets. NTA is derived by deducting intangible assets from the NAV and the NTA based valuation approach shows the extent to which the value of each Share is backed by its net tangible assets.

Based on the NTA per Share of S$0.6608 as at 31 December 2016, the Offer Price represents a P/NTA of 0.61 times, that is, the Offer Price is at a discount of 39.5% to the NTA per Share.

Based on the RNTA per Share of S$0.7086 as at 31 December 2016, the Offer Price represents a P/RNTA of 0.56 times, that is, the Offer Price is at a discount of 43.6% to the RNTA per Share.

For the purpose of evaluating the Offer, we have based our analysis on the RNTA per Share as at 31 December 2016.

Price-to-RNTA (ex-cash) ratio

As set out in our analysis in Section 7.3.1, the Group has significant cash balance of HK$1,556.5 million, representing HK$2.1543 (S$0.3912) per Share. The cash balance

	RNTA per Share (S$)	%
Cash balances	0.3912	55.2
Inventories licensed for use by the licensee[(1)]	0.1624	22.9
Licensed assets (including land use rights of the leasehold properties)	0.1354	19.1
Remaining net assets		

We do not assume any responsibility to inquire about the basis of such valuations or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including Rule 26 of the Code.

7.4 Comparison with recently completed privatisation of companies listed on the SGX-ST

We note that the intention of the Offeror is to delist the Company from the SGX-ST and, if and when entitled, to exercise its rights of compulsory acquisition under the Bermuda Companies Act.

In assessing the reasonableness of the Offer Price in light of the above stated intention of the

Name of company	Sector	Date of announce-ment	Premium/(Discount) of Offer Price over / (to): Last transacted price prior to announce-ment (%)	1 month VWAP prior to announce-ment (%)	3 month VWAP prior to announce-ment (%)	Ŗ20795 716.8592 Tm( )TjETŖT5e

			Premium/(Discount) of Offer Price over / (to):			
Name of company	**Sector**	**Date of announce-ment**	**Last transacted price prior to announce-ment (%)**	**1 month VWAP prior to announce-ment (%)**	**3 month VWAP prior to announce-ment (%)**	**P/NTA (times)**
Auric Pacific Group Limited	Distributor of fast-moving consumer goods, food manufacturing and retailing, restaurants and food court management	07 Feb 2017	13.4	17.7	23.8	1.5[23]
High			52.4	69.2	98.4	3.9

(21) Based on the NAV per share of ARA Asset Management Limited as at 31 December 2016;

(22) Based on the RNAV per share of Sunmart Holdings Limited as at 30 September 2016;

(23) Based on the RNTA per share of Auric Pacific Group Limited as at 31 December 2016; and

(24) n.m. denotes not meaningful.

Based on the above, we note that:

(a) The premia implied by the Offer Price over the last transacted price, VWAP for 1-month period and 3-month period prior to the Offer Announcement Date are within the range but lower than the mean and median of the corresponding premia of the Precedent Privatisation Transactions; and

(b) The P/RNTA ratio of 0.56 times implied by the Offer Price is within the range but significantly lower than the mean and median of the corresponding P/NTA ratios of the Precedent Privatisation Transactions.

Shareholders should note that the above comparison with the Precedent Privatisation Transactions is for illustrative purposes only.

7.5 Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group

For the purpose of assessing the Offer Price, we have had discussions with Management to

Company name	Stock Exchange	Principal business
Kingboard Laminates	Hong Kong	Kingboard Laminates operates as a vertically-integrated electronic materials manufacturing company. Its laminate products include glass epoxy laminates, paper laminates, and composite epoxy material laminates.
Guangdong Chaohua Technology Co Ltd (“**Guangdong Chaohua**”)	Shenzhen	Guangdong Chaohua produces printed circuit board, copper clad laminate and manufactures upstream products such as electrolytic copper foil, wood pulp paper for copper clad laminate, solder mask, resistant ink, and legend.
Co-Tech Development Corp (“**Co-Tech**”)	Taiwan	Co-Tech provides electro-deposit copper foil for the copper clad laminate and print circuit board.
China Environmental Energy Investment Ltd (“**CEEI**”)	Hong Kong	CEEI is an investment holding company. CEEI's operations include laminates, printed circuit boards, and copper foils.

***Source**: Bloomberg L.P.*

For the purpose of our evaluation and for illustration, we have made comparison between the Group and the Comparable Peer Companies using the following bases:

(i) The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern; and

(ii) The P/NTA ratio or NTA approach is used to show the extent the value of each share is backed by all assets. The NTA approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities and intangibles of the group.

Company name	Last financial year end	Market capitalisation as at Offer Announcement Date (S$

APPENDIX I – LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS

support any action or take any steps to maintain the listing status of the Company or to restore the free float requirement. Under this scenario, Shareholders who continue to hold on to the Shares will not be able to trade their Shares in the open market.

However, in the event that the Company continues to meet the free float requirements under Rule 723 of the Listing Manual following the close of the Offer, the Company will remain listed and the Shares will continue to be traded on the SGX-ST.

Letter in their respective context. The following is a summary of some of our observations which may be relevant for Shareholders in considering the Offer:

(a) Share prices had been consistently trading at significant discounts to its NAV per Share over the last six years since FY2011. NAV per Share was between HK$3.8347 (S$0.6964) to HK$3.9538 (S$0.7180) from FY2011 to FY2015, and HK$3.6390 (S$0.6608) as at 31 December 2016;

(b) overall, the Offer Price under this second attempt by the major Shareholders to privatise the Company is substantially above the historical traded Share price over the last six years since mid-2011;

(c) during 2011, the Group had ceased the manufacture of copper foil (its former core business) and had, instead, switched to the licensing arrangement after the Company was not successful in obtaining Shareholders' approval for its interested person transaction general mandate in relation to these business activities. As a result, the Group earned only a fixed licence fee of HK$120 million per year instead of operational profits from the manufacture of copper foil. The licensing arrangement, which was supposed to be a short-term measure pending a resolution to the interested person transaction issue, had lasted for the past six years. The current agreement is expected to expire on 31 August 2017 unless renewed for another further term;

(d) during 2011, the Company was engaged in a litigation suit from certain minority Shareholders. Such litigation had also lasted for the past six years. The judgement by the Court of Appeal of Bermuda was recently issued on 24 March 2017 as mentioned in Section 7.7.6 above. The Company will make further update announcements if there are any further material developments in the matter;

(e) as the Offeror and its Concert Parties already have statutory control of the Company, representing 66.01% of the total issued Shares as at the Latest Practicable Date, the Offeror and its Concert Parties will be in a position to significantly influence, *inter alia*, management, operating and financial policies of the Company and is in a position to pass all ordinary resolutions on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of the Company; and

(f) the Company had not paid any dividend to Shareholders in respect of the last six financial years, notwithstanding that the Company has significant amount of bank balances.

8. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment of the Offer:

(a) Market quotation and trading activity of the Shares;

(b) Financial performance of the Group;

(c) Financial position of the Group;

(d) Comparison with recently completed privatisation of companies listed on the SGX-ST;

(e) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;

(f) Dividend track record of the Company; and

(g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.

GENERAL INFORMATION

1. DIRECTORS

Name	Address	Designation

2. BACKGROUND INFORMATION

3. SHARE CAPITAL

3.1 Issued and paid-up Shares

3.2 No transfer restriction

3.3 Shares issued since 31 December 2016

3.4 Convertible instruments

3.5 Rights in Respect of Capital, Dividends and Voting

Interests of Directors in Shares:

	Direct Interest		Deemed Interest	
Directors	No. of Shares	Percentage[1]	No. of Shares	Percentage[1]

Note:

4.4 Dealings of Directors in Company Securities

4.5 Interests and Dealings of the IFA in Company Securities

4.6 Intentions of the Directors in relation to the Offer

5. OTHER DISCLOSURES

5.3 No Agreement Conditional upon Outcome of Offer

5.4 Material Contracts entered into by Offeror

6. FINANCIAL INFORMATION ON THE GROUP

6.1

	Audited As at 31 December 2015	Unaudited As at 31 December 2016
Net assets		
Non-controlling interests		
Total equity		

7. MATERIAL CHANGES IN FINANCIAL POSITION

8. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

8.2 No Change in Accounting Policies

FRSs

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

9.1

Notes:

9.2

Interested Persons

10.2 **Supreme Court**

EXTRACTS FROM THE BYE-LAWS OF THE COMPANY

by the memorandum of association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

(e) change the currency denomination of its share capital;

(f) make provision for the issue and allotment of shares which do not carry any voting rights; and

(g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

consolidation and division under the last preceding Bye-law and in particular but without

shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their

nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

consent required by law, reduce its authorised or issued share capital or any share premium account or other undistributable reserve in any manner permitted by law.

7. Except so far as otherwise provided by the conditions of issue, or by these Bye-laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Bye-laws with reference to the payment of calls and instalments, transfer

9. (1) In the event of preference shares being issued the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares and *or by proxy may demand a poll and that every such holder shall on a poll have one (1) vote for every share of the class held by him, provided always that where the necessary*

(3) Notwithstanding Bye-law 12(2) above but subject to the Statutes and the rules or regulations of the Designated Stock Exchange (if applicable), the Company in general meeting may by ordinary resolution grant to the Directors a general authority, either

resolution (including but not limited to the aggregate number of shares which may be issued and the duration of the general authority), to issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, Provided That unless otherwise

the Designated Stock Exchange, such general authority will continue (notwithstanding the authority conferred by the said ordinary resolution may have ceased to be in force) in relation to the issue of shares pursuant to any Instrument made or granted by the Directors while the said ordinary resolution was in force.

(4) The Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may

the Company in general meeting if required by the rules or regulations of the Designated Stock Exchange.

(5) Subject to the rules or regulations of the Designated Stock Exchange (if applicable), the Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the

paid shares or partly in one and partly in the other.

14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Bye-laws or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

15. (1) Subject to the terms and conditions of any application for shares, the Board shall allot shares applied for within ten (10) market days of the closing date of any such application (or such other period as may be approved by the Designated Stock Exchange).

(2) Subject to the Act and these Bye-laws, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of someion

LIEN

registered in the name of a Member (whether solely or jointly with others). Such lien shall be

moneys are due and unpaid, and to such amounts as the Company may be called upon by

lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Bye-law.

23. Subject to these Bye-laws, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect

of fourteen (14) clear days after a notice in writing, stating and demanding payment of the

or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall be paid to the person whose shares have been forfeited or to his executors, administrators or assignees or as he may direct.

28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.

29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

30. On the trial or hearing of any action or other proceedings for the recovery of any money due

the Register as the holder, or one (1) of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

respect of nominal value or premium or as an instalment of a call, shall be deemed to be a

of these Bye-laws shall apply as if that amount had become due and payable by virtue of a

32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay

of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate

FORFEITURE OF SHARES

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the

(a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and

(b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.

(2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.

2. Rights in Respect of Dividends

DIVIDENDS AND OTHER PAYMENTS

136. Without prejudice to the generality of the above Bye-law 135 if at any time the share capital of the Company is divided into different classes, the Board may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and Provided That the Board acts

preference for any damage that they may suffer by reason of the payment of any dividend on any shares having deferred or non-preferential rights and may also pay periodically any

137. No dividend shall be paid or distribution made if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

138. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

(a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share; and

(b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

139. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

140. No unpaid dividend or distribution or other moneys payable by the Company shall bear interest as against the Company.and paid pro .

142. All dividends or bonuses unclaimed for one (1) year after having been declared may

claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

143. Whenever the Board or the Company in general meeting has resolved that a dividend be

debentures or warrants to subscribe for securities of the Company or any other company, or

in respect of fractions of shares, disregard fractional entitlements or round the same up or

may determine that cash payments shall be made to any Members upon the footing of the

assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

144. (1) Subject to the rules or regulations of the Designated Stock Exchange, the Board shall

which enables the Members to elect to receive securities in lieu of cash amount of any dividend, and the Board may do all acts and things considered necessary or expedient to give effect to such a scheme.

(2) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Bye-law shall mutatis mutandis apply to bonuses,

Company to the Members.

RESERVES

Company such sums as it determines as reserves which shall, at the discretion of the

applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to

reserve or reserves separate or distinct from any other investments of the Company. The

think prudent not to distribute.

CAPITALISATION

146. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the

that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution Provided That, for the purposes of this Bye-law, a share premium

paying up in full unissued shares of the Company to be issued to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.

respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

(3) The period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be held, and the Notice shall specify the day, time and place of the meeting and, in case of special business, the general nature of the business. Any Notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or

61. If within thirty (30) minutes (or such longer time not exceeding one (1) hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

62. The chairman (if there be a chairman) of the Board, and if not the president (if there be a president) of the Company shall preside as chairman at every general meeting. If at any

(15) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one (1) of their number to act, or if one (1) Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one (1) of their number to be chairman.

63. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days

specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

64. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

65. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting (i) on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one (1) vote, and the chairman of the meeting shall determine which proxy shall be entitled to vote where a Member (other than the Depository) is represented by two (2) proxies and (ii) on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one (1) vote for every fully paid share of which he is the holder or which he represents and in respect of which all calls due to the Company have been paid, but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. In the event that a Member participates in a general meeting by telephone or electronic means or other communication facilities as may be established by the Directors, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands or by poll, as the case may be. Subject to Bye-law 65(2), a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

(a) by the chairman of such meeting; or

(b) by at least three (3) Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or

(c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding or representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

(d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding or representing shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or

(e) where the Depository is a Member, by at least three (3) proxies representing the Depository.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.

(2) For so long as the shares of the Company are listed on the Designated Stock Exchange, a resolution put to the vote of a meeting shall be decided by way of a poll, as required by the rules of the Designated Stock Exchange.

66. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

67. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

68. A poll on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll on any other question shall be taken in such manner (including but not limited to the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.

69. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

70. On a poll votes may be given either personally or by proxy.

71. A person entitled to more than one (1) vote on a poll need not use all his votes or cast all the votes he uses in the same way.

72. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

73. Where there are joint holders of any share any one (1) of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one (1) of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.

74. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other

PROXIES

77. (1) Any Member entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two (2) proxies to attend and vote instead of him at the same general meeting Provided That if the Member is the Depository:

(a) the Depository may appoint more than two (2) proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository as the Depository could exercise, including, notwithstanding Bye-law 65, the right to vote individually on a show of hands;

(2) In any case where an instrument of proxy appoints more than one (1) proxy (including the case when a CDP Proxy Form is used), the proportion of the shareholding concerned to

(3) A proxy need not be a Member. In addition, subject to Bye-law 77(1) and the listing rules of the Designated Stock Exchange (if applicable), a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise, including, notwithstanding Bye-law 65, the right to vote individually on a show of hands. On a poll, a proxy need not use all the votes he is entitled to cast or cast all such votes in the same way.

78. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its

system of mechanical signature as the Depository may deem appropriate. In the case of an

to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

79. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed on behalf of the appointor (which shall, for

in or by way of note to or in any document accompanying the notice convening the meeting

not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

80. Instruments of proxy shall be in any pe i9

81. *A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, Provided That no intimation in writing of such death, insanity or revocation shall have been received by the Company*

delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

82. *Anything which under these Bye-laws a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Bye-laws relating to proxies and instruments appointing proxies shall apply mutatis mutandis in relation to any such attorney and the instrument under which such attorney is appointed.*

CORPORATIONS ACTING BY REPRESENTATIVES

83. *(1) Any corporation which is a Member may by resolution of its directors or other governing*

the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.

(2) Where a Member is the Depository (or its nominee, in each case, being a corporation),

the Company or at any meeting of any class of Members Provided That the authorisation shall specify the number and class of shares in respect of which each such representative

KINGBOARD COPPER FOIL HOLDINGS LIMITED
FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 &Q3) HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Year ended December 31, 2016 *HK$'000*	Group Year ended December 31, 2015 *HK$'000*	% Change
Revenue	635,296	624,344	1.75%
Cost of sales	(566,650)	(558,438)	1.47%
Gross profit	68,646	65,906	4.16%
Other operating income	2,057	3,064	-32.87%
Distribution costs	(16,680)	(15,520)	7.47%
Administrative expenses	(28,569)	(26,334)	8.49%
Other operating expenses	–	(1,597)	-100.00%
Finance cost	–	(87)	-100.00%
Share of losses of an associate	(9,666)	(7,766)	24.47%
Profit before tax	15,788	17,666	-10.63%
Income tax expense	(10,855)	(11,260)	-3.60%
Profit for the year	4,933	6,406	-22.99%
Profit for the year attributable to:			
Owners of the Company	1,061	2,841	-62.65%
Non-controlling interests	3,872	3,565	8.61%

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

	Group		
	Year ended		
	December 31, 2016	**December 31, 2015**	**% Change**
	HK$'000	*HK$'000*	
Other operating income including interest income	(2,057)	(3,064)	-32.87%
Depreciation of property, plant and equipment	107,500	132,837	-19.07%
Amortisation of prepaid land use rights	1,049	1,117	-6.09%

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 December 31, 2016	**As at December 31, 2015**	**As at December 31, 2016**	**As at December 31, 2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Current assets:				
Cash and bank balances	1,556,470	1,446,024	–	–
Trade and other receivables and prepayments	84,453	81,659	176	221
Bills receivable81,6522036,3n8 0 Tw 17.595 0 6.27226				

	Group		Company	
	As at December 31, 2016	**As at December 31, 2015**	**As at December 31, 2016**	**As at December 31, 2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets:				
Investment in subsidiaries	–	–	393,775	393,775
Investment in an associate	40,516	52,099	13,656	17,560
Due from a subsidiary	–	–	882,039	878,452
Investment property	5,683	6,067	–	–
Property, plant and equipment	360,478	482,747	–	–
Prepaid land use rights	34,709	38,131	–	–
Other non-current assets	–	689,670	–	–
Goodwill	238	238	–	–
Total non-current assets	441,624	1,268,952	1,289,470	1,289,787
Total assets	2,778,990	2,871,927	1,289,646	1,290,008
LIABILITIES AND EQUITY				
Current liabilities:				
Due to a subsidiary	–	–	2,721	2,721
Bills payable	11,481	2,265	–	–
Trade and other payables	104,527	91,306	2,423	3,431
Income tax payable	8,366	7,417	38	38
Total current liabilities	124,374	100,988	5,182	6,190
Capital and reserves and non-controlling interests:				
Share capital	560,200	560,200	560,200	560,200
Reserves	2,068,980	2,177,796	724,264	723,618
Equity attributable to owners of the Company	2,629,180	2,737,996	1,284,464	1,283,818
Non-controlling interests	25,436	32,943	–	–
Total equity	2,654,616	2,770,939	1,284,464	1,283,818
Total liabilities and equity	2,778,990	2,871,927	1,289,646	1,290,008

1b(ii) Aggregate amount of group's borrowing and debt securities.

Amount repayable in one year or less, or on demand

	As at December 31, 2016		As at December 31, 2015	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	–	–	–	–

Amount repayable after one year

	As at December 31, 2016		As at December 31, 2015	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	–	–	–	–

Details of any collateral

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Year ended	
	December 31, 2016	**December 31, 2015**
	HK$'000	*HK$'000*
Operating activities:		
Profit before tax	15,788	17,666
Adjustments for:		
Depreciation of property, plant and equipment	107,500	132,837
Amortisation of prepaid land use rights	1,049	1,117
Interest income	(1,618)	(2,425)
Interest expense	–	87
Allowance for doubtful debts	1,061	1,534
Allowance for inventories	–	2,092
Loss on disposal of property, plant and equipment	2,672	2,036
Impairment loss recognised in respect of non-current deposits	–	5,293
Property, plant and equipment written off	18,249	3,735
Share of losses of an associate	9,666	7,766

	Year ended December 31, 2016 *HK$'000*	Year ended December 31, 2015 *HK$'000*
Operating cash flow before movements in working capital	154,367	171,738
Trade and other receivables and prepayments	(11,264)	(17,269)
Bills receivable	9,200	(1,010)
Inventories	13,110	(7,113)
Trade and other payables	17,644	16,951
Bills payable	9,216	(2,643)
Cash generated from operations	192,273	160,654
Income tax paid	(8,709)	(8,566)
Interest received	1,618	2,425
Net cash from operating activities	185,182	154,513
Investing activities:		
Purchase of property, plant and equipment	(35,167)	(18,073)
Proceeds from disposal of property, plant and equipment	2,281	17,729
Net cash used in investing activities	(32,886)	(344)
Financing activities:		
Dividends paid to non-controlling interests	(9,360)	–
Repayment of bank borrowing	–	(6,338)
Interest expense paid	–	

1(d) A statement of comprehensive income (for the issuer and the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Company	
	Year ended		Year ended	
	December 31, 2016	**December 31, 2015**	**December 31, 2016**	**December 31, 2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit for the year	4,933	6,406	646	606
Other comprehensive expense:				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference arising on translation of foreign operations	(109,979)	(121,384)	–	–
Share of other comprehensive expense of an associate	(1,917)	(2,068)	–	–
Total other comprehensive expense	(111,896)	(123,452)	–	–
Total comprehensive (expense) income for the year, net of tax	(106,963)	(117,046)	646	606
Total comprehensive (expense) income attributable to:				
Owners of the Company	(108,816)	(118,630)	646	606
Non-controlling interests	1,853	1,584	–	–
	(106,963)	(117,046)	646	606

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company							
	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserves *HK$'000*	Foreign currency translation reserves *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Group								
Balance at January 1, 2015	560,200	296,573	7,287	534,258	1,458,308	2,856,626	31,359	2,887,985
Total comprehensive (expense) income for the year								
Profit for the year	–	–	–	–	2,841	2,841	3,565	6,406
Other comprehensive expense for the year	–	–	–	(121,471)	–	(121,471)	(1,981)	(123,452)
Total	–	–	–	(121,471)	2,841	(118,630)	1,584	(117,046)
Balance at December 31, 2015	560,200	296,573	7,287	412,787	1,461,149	2,737,996	32,943	2,770,939
Total comprehensive (expense) income for the year								
Profit for the year	–	–	–	–	1,061	1,061	3,872	4,933
Other comprehensive expense for the year	–	–	–	(109,877)	–	(109,877)	(2,019)	(111,896)
Total	–	–	–	(109,877)	1,061	(108,816)	1,853	(106,963)
Transactions with owners, recognised directly in equity								
Dividend paid to non-controlling interests of a subsidiary	–	–	–	–	–	–	(9,360)	(9,360)
Balance at December 31, 2016	560,200	296,573	7,287	302,910	1,462,210	2,629,180	25,436	2,654,616

	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserves *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
Company					
Balance at January 1, 2015	560,200	296,573	6,275	420,164	1,283,212
Total comprehensive income for the year					
Profit for the year	–	–	–	606	606
Balance at December 31, 2015	560,200	296,573	6,275	420,770	1,283,818
Total comprehensive income for the year					
Profit for the year	–	–	–	646	646
Balance at December 31, 2016	560,200	296,573	6,275	421,416	1,284,464

1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's issued share capital for the year ended December 31, 2016. The Company does not have any convertibles or treasury shares as at the end of the current financial year report on and as at the end of the corresponding period of the immediately preceding financial year.

1(e)(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.

Share capital	As at December 31, 2016 *'000*	As at December 31, 2015 *'000*	As at December 31, 2016 *HK$'000*	As at December 31, 2015 *HK$'000*
	Number of ordinary shares of US$0.10 each			
Authorised	2,000,000	2,000,000	1,550,000	1,550,000
Issued and fully paid	722,500	722,500	560,200	560,200

1(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation have been applied in the financial statements as in the most recently audited annual financial statements as at 31 December 2015 except for the adoption of Financial Reporting Standards ("FRSs") which are relevant to the Group's operations and became effective for the financial years beginning on or after 1 January 2016.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new and revised FRSs have no material effect on the Group's and Company's accounting policies.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Year Ended December 31, 2016	Year Ended December 31, 2015
Based on the weighted average number of ordinary shares in issue	0.15 HK cents	0.39 HK cents
On a fully diluted basis	0.15 HK cents	0.39 HK cents

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:–

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Net asset value per ordinary share based on issued share capital at the end of the year reported on	363.90 HK cents	378.96 HK cents	177.78 HK cents	177.69 HK cents

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:–

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

On behalf of the Board of Directors, it is my pleasure to present the financial results

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Licensing Arrangement

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 a sham were also not proved. However, the Court also ruled that the Company's management should promptly initiated bona fide open negotiations in which commercially reasonable proposals were openly tabled with a view to persuading the non-controlling shareholders to approve the interested person transaction mandate on even marginally more favourable terms. Following the judgement, the majority shareholders respondents filed a notice of appeal on December 23, 2015 relating to the unfavourable ruling of the judgement. The appeal hearing has been fixed for 6 to 7 March 2017. The Company will make further announcement as and when necessary to keep shareholders informed of material developments in this matter.

11 Dividend.

(a) Current Financial Period Reported on

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No final dividend has been proposed or declared for the year ended December 31, 2016.

13 Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1)

The Company confirmed that it has procured the undertakings under Listing Rule 720(1) of the Listing Manual from all its directors and executive officers in the format set out in Appendix 7.7.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 and half-year results)

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group is organised into two operating segments namely PVB business and licence business, based on which information is prepared and reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of performance. Principal activities of each of the operating segments are as follows:

PVB business – manufacture and trading of PVB and related products; and

Licence business – earning licence fee income from its licenced assets

	PVB Business *HK$'000*	Licence Business *HK$'000*	Total *HK$'000*
For the year ended December 31, 2016			
External sales	515,296	120,000	635,296
Segment result	22,673	2,571	25,244
Unallocated income			210
Share of losses of an associate			(9,666)
Profit before tax			15,788
Income tax expense			(10,855)
Profit for the year			4,933

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
KINGBOARD COPPER FOIL HOLDINGS LIMITED ("the Company")				
Cheung Kwok Ping	56	**Brother-in-law of:–** Ho Yin Sang – director of the Company.	**Position in the Company:** Executive Director since 25 January 2002. **Duties:** Responsible for the Kingboard Copper Foil ("KBCF") Group's Marketing operations.	No change
Ho Yin Sang	62	**Brother-in-law of:–** Cheung Kwok Ping – director of the Company.	**Position in the Company:** Non-Executive Director since 9 January 2007. **Duties:** Strategic Management & advisory on Group's production.	No change

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
FOGANG KINGBOARD INDUSTRY LTD ("FKI") A principal subsidiary of the Company				
Cheung Kwok Keung	64	**Brother of:–** Cheung Kwok Ping – director of the Company. **Brother-in-law of:–** Ho Yin Sang – director of the Company.	**Position in the Company:** Director since 13 July 1993. **Duties:** Responsible for strategy management of FKI.	No change
Cheung Kwok Wa	53	**Brother of:–** Cheung Kwok Ping – director of the Company. **Brother-in-law of:–** Ho Yin Sang – director of the Company.	**Position in the Company:** Director since 13 July 1993. **Duties:** Responsible for strategy management of FKI.	No change
Chang Wing Yiu	50	**Brother-in-law of:–** Cheung Kwok Ping – director of the Company. Ho Yin Sang – director of the Company.	**Position in the Company:** Director since 13 July 1993. **Duties:** Responsible for strategy management of FKI.	No change

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
KINGBOARD (LIANZHOU) COPPER FOIL LTD ("KLCF") A principal subsidiary of the Company				
Cheung Kwok Keung	64	**Brother of:–** Cheung Kwok Ping – director of the Company. **Brother-in-law of:–** Ho Yin Sang – director of the Company.	**Position in the Company:** Director since 5 November 2003. **Duties:** Responsible for strategy management of KLCF.	No change
Cheung Kwok Wa	53	**Brother of:–** Cheung Kwok Ping – director of the Company. **Brother-in-law of:–** Ho Yin Sang – director of the Company.	**Position in the Company:** Director since 5 November 2003. **Duties:** Responsible for strategy management of KLCF.	No change
Chang Wing Yiu	50	**Brother-in-law of:–** Cheung Kwok Ping – director of the Company. Ho Yin Sang – director of the Company.	**Position in the Company:** Director since 5 November 2003. **Duties:** Responsible for strategy management of KLCF.	No change

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
CHUNG SHUN COPPER FOIL (MACAO COMMERCIAL OFFSHORE) LIMITED ("CSMCOL") A principal subsidiary of the Company				
Cheung Kwok Wing	61	**Brother of:–** Cheung Kwok Ping – director of the Company. **Brother-in-law of:–** Ho Yin Sang – director of the Company.	**Position in the Company:** Executive Director since 1 April 2005. **Duties:** Responsible for strategy management of CSMCOL.	No change
Cheung Kwok Ping	56	**Brother-in-law of:–** Ho Yin Sang – director of the Company.	**Position in the Company:** Executive Director since 1 April 2005. **Duties:** Responsible for strategy management of CSMCOL.	No change
Ho Yin Sang	62	**Brother-in-law of:–** Cheung Kwok Ping – director of the Company.	**Position in the Company:** Executive Director since 1 April 2005. **Duties:** Responsible for strategy management of CSMCOL.	No change

Name	Age	Family relationship with any director and/or chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
KINGBOARD (FOGANG) SPECIAL RESIN COMPANY LIMITED ("KFSR") A principal subsidiary of the Company				
Cheung Kwok Ping	56	**Brother-in-law of:–** Ho Yin Sang – director of the Company.	**Position in the Company:** Executive Director since 28 June 2003. **Duties:** Responsible for strategy management of KFSR.	No change

19 Interested Person Transactions – Pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

The Company does not have any interested person transaction mandate or any interested person transaction required to be disclosed pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

By Order of the Board

Cheung Kwok Ping
Di ec

February 22, 2017

Unit 3806, 38/F, China Resources Building,
26 Harbour Road, Wan Chai, Hong Kong
Tel (852) 2529 6878   Fax (852) 2529 6806
E-mail   info@romagroup.com
http:// www.romagroup.com

30 March 2017

Kingboard Copper Foil Holdings Limited
2nd Floor, Harbour View 1
No. 12 Science Park East Avenue
Phase 2 Hong Kong Science Park
Shatin, New Territories
Hong Kong

Dear Sir/Madam,

Re: Valuations of 5 Properties in Guangdong Province, the People's Republic of [redacted]

China

In accordance with your instructions for us to value the properties, machineries and equipment held by Kingboard Copper Foil Holdings Limited (the "Company") and/or its subsidiaries (together with the Company referred to as the "Group") in the People's Republic of China (the "PRC") with details stated in the valuation certificate [redacted] attached, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the valuation as at 31 December 2016 (the "Date of Valuation") for the purpose of the Voluntary Unconditional Cash Offer by Excel First Investments Limited only.

We, Roma Appraisals Limited, the independent valuer to the Company in respect of the purpose of the Voluntary Unconditional Cash Offer by Excel First Investments Limited hereby consent to, and confirm that we have no withdrawn our consent to, issue of the Circular with the inclusion therein of our report to the Circular and/or [redacted]

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1. BASIS OF VALUATION

Our valuation of the properties, machineries and equipment are our opinion of [redacted]

which we would defined as intended to mean "the estimated amount for which asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGIES

We have valued the properties by the direct comparison approach assuming sale of the properties in their existing states with the benefit of vacant [redacted]

2.2 The Sales Comparison Approach

The sales comparison approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and [redacted] approach.

2.3 The Income Approach

The income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits from the same or a substantially similar asset with a similar risk profile.

2.4 Conclusion

In forming our opinion of the value, we have relied on the income approach on [redacted]

3. TITLE INVESTIGATION

For the properties located in the PRC, we have been provided with copies of

various documents and have been advised by the Group that no further relevant documents have been produced. However, we have not examined the original documents to verify the existing titles to the properties or any amendment, which may not appear on the copies handed to us. In the course of our valuations, we have relied upon the advice and information given by the Group regarding the titles of the properties. All documents have been used for reference only.

In valuing the properties, we have relied on the advice given by the Group that the Group has valid and enforceable titles to the properties which are freely transferable, and has free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual

government rent / land use fees and all requisite land premium / purchase

consideration payable have been fully settled.

In valuing the Assets, we have relied on the advice given by the Group that the Group has valid and enforceable title to the Assets and the records of the Assets including the costs and acquisition dates.

4. VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the properties in the market in their existing states without the benefit of deferred

We have also investigated market condition, discussed with local staff and professional and examined relevant documents and specification supplied to us before arriving at our opinion of value.

The situation being such, we have to a substantial extent relied upon our best judgment, while giving full consideration to the local condition.

We have not investigated any safety regulations regarding the subject production. It is assumed that all necessary licenses, procedures and measures were implemented in accordance with the relevant government legislation and guidance.

To the best of our knowledge, all data set forth in this report are true and accurate. The data, opinions, or estimates, identified as being furnished by others which have been used in formulating this analysis are gathered from reliable sources, yet, no guarantee is made nor liability assumed for the accuracy.

We did not investigate any financial data pertaining to the present or prospective earning capacity of the operation in which the Assets are used. It was assumed that prospective earnings would provide a reasonable return on the appraised value of the Assets, plus the value of any assets not included in the valuation, and adequate net working capital.

We have made no investigation and assume no responsibility for titles or liabilities against the Assets.

In the course of our valuation, spare parts, inventories, supplies, materials, on-hand company records or any current and intangible assets are excluded.

5. SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on [redacted]

identification of properties, particulars of occupation, site and floor areas, ages of buildings and all other relevant matters which can affect the values of the [redacted]

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In valuing the property, we have complied with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuations are in Renminbi ("RMB").

Our Summary of Values and Valuation Certificates are attached

Yours faithfully,
For and on behalf of
Roma Appraisals Limited

Dr. Alan W K Lee
BCom(Property) MFin PhD(BA)
MHKIS RPS(GP) AAPI CPV CPV(Business)
Director

Note: Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 13 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region and European countries.

SUMMARY OF VALUES

Properties held and occupied by the Group in the PRC

No.	**Property**	**Market Value in Existing State as at 31 December 2016**
1.	A parcel of land, various buildings and ancillary structures situated in Lianzhou County Cheng Bei, Lianzhou City, Guangdong Province, The PRC [redacted] 若干建築物及附屬構築	RMB129,000,000.
2	Various parcels of land, various buildings and ancillary structures situated in Shijiao Town, Fogang County, Qingyuan City, Guangdong Province, The PRC 位於中國廣東省清遠市佛崗縣石角鎮之 [redacted] 若干塊土地、若干建築物及附屬構築物	RMB101,000,000.
3	A villa house situated in	RMB5,360,000.

SUMMARY OF VALUES

No.	Property	Market Value in Existing State as at 31 December 2016
5.	The land and building located at the Industrial Park at North of Lianzhou City, Qingyuan City, [redacted] the PRC 中國廣東省清遠市連州市城北區工業園廠房	RMB65,700,000. [redacted] respective valuation certificate)
	Total:	

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VALUATION CERTIFICATE

Properties held and occupied by the Group in the PRC

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 December 2016
1.	A parcel of land, various buildings and ancillary structures situated in Lianzhou County Cheng Bei, Lianzhou City, Guangdong Province, The PRC 位於中國廣東省連州市連州鎮城北之一塊土地、[redacted]	The property comprises a parcel of land with a site area of 563,842.9 sq.m. (or about 6,069,205 sq.ft.) and various buildings and ancillary structures erected thereon, which were completed in about 2006. The property has a total gross [redacted] approximately 81,762.63 [redacted] sq.m. (or about 880,093 sq.ft.). The land use rights of the property have been granted [redacted]	The property is occupied by the Group for industrial use.	RMB129,000,000.

[redacted]

3 Pursuant to various Real Estate Title Certificates (房地產權證), issued by the Lianzhou City People's Government (連州市人民政府), the property with a total gross floor area of 45,077.63 sq.m. is legally held by 建滔(連州)銅箔有限公司. Details of which are as follows:

No.	Certificate No.	Expiry Date
1.	Yue Fang Di Zheng Zi Di No. C4502143	12 June 2056
2.	Yue Fang Di Zheng Zi Di No. C4502144	12 June 2056
3.	Yue Fang Di Zheng Zi Di No. C4502191	18 July 2056
4.	Yue Fang Di Zheng Zi Di No. C4502192	18 July 2056
5.	Yue Fang Di Zheng Zi Di No. C4502194	18 July 2056
6.	Yue Fang Di Quan Zheng Lian Zhou Di No. 0100000382	6 July 2059

[redacted]

2007170 respectively issued by Lianzhou City Town Planning Bureau dated 19 October 2006 and 8 November 2007 respectively, the proposed development with gross floor area of 17,248 sq.m. and 19,437 sq.m. respectively are permitted.

5 We have been instructed by the Group to value the property based on the following assumptions

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 December 2016
2.	Various parcels of land, various buildings and ancillary structures situated in Shijiao Town, [redacted] Qingyuan City, Guangdong Province, The PRC	The property comprises various parcels of land with a total site area of 294,606 sq.m. (or about 3,171,139 [redacted] and ancillary structures erected thereon, which were completed in about 1998.	The property is occupied by the Group for industrial use.	RMB101,000,000

[redacted]

[redacted]

6.

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 December 2016
3	A villa house situated in Huang Hua Hu Development District, Tangtang Town, Fogang County, [redacted] Qiangyuan City, Guangdong Province, The PRC 位於中國廣東省清遠市佛崗縣湯塘鎮 [redacted]	The property comprises a villa house with a site area of approximately 666 sq.m. (or about 7,169 sq.ft.) which was completed in about 1999 [redacted] As advised by the Group, the gross floor area of the property is about 525 sq.m.. The land use rights of the [redacted] for a term expiring on 26 December 2067 for residential use.	The property is occupied by the Group for residential use.	RMB5,360,000

Notes

1. Pursuant to State-owned Land Use Rights Certificate (國有土地使用權證), Fo Guo Yong (1999) Zi Di No. 00049 issued by Fogang People's Government, the land use rights of the property is legally held by 佛崗建滔實業有限公司 with respective site areas of 666 sq.m. for a term expiring on 26 December 2067.

2 We have been instructed by the Group to value the property based on the following assumptions as at the date of valuation:

[redacted]

VALUATION CERTIFICATE

				Market Value in
			Particulars of	Existing State as at
4	Units 7C, 7D, 7E, 7F, 7G and 7H, Block 2, Li Jing Hao Ting, Xin Cheng East, B1 District	The property comprises six residential units with a total gross floor area ("GFA") of approximately 848 sq.m. (or about 9,128 sq.ft.) in a	The property is occupied by the Group for residential use.	RMB3,700,000.
	Qingyuan City, Guangdong Province, The PRC 中國廣東省清遠市 新城東 B1 區 麗晶豪庭二座 7 層 C, 7 層 D, 7 層 E, 7 層 F, 7 層 G 及 7 層 H	residential development, known as Li Jing Hao Ting (麗晶豪庭). The development was completed in about 2006		

Notes

1. Pursuant to various 廣東省地方稅收通用發票(電子), the property with a total GFA of 848 sq.m is legally held by 佛崗建滔實業有限公司. Details of which are as follows:

No.	Receipt No.	Property	GFA	Consideration	Issue Date
1.	07316354	麗晶豪庭二座 7C	200.58 sq.m	RMB523,430	24 February 2011
2.	00260710	麗晶豪庭二座 7D	200.58 sq.m	RMB523,430	24 February 2011

3. As advised by the Group, 建滔 (連州) 銅箔有限公司 is a subsidiary of the Company.

[redacted]

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 December 2016
5.	The land and building located at the Industrial Park at North of Lianzhou City, Qingyuan City, Guangdong [redacted] the PRC 中國廣東省清遠市連州市城北區工業園廠房	The property comprises a parcel of land with a site area of 563,842.9 sq.m. of which a single storey building, which was completed in about 2007, is erected therein. [redacted] has a gross floor area ("GFA") of approximately 3,696 sq.m. and there is no title document obtained for the building of the property. The land use rights of the property have been granted for a term 50 years expiring on 1 January 2054 for industrial use.	As advised by the Group, the property was let to a connected company of the Group subject to a monthly tenancy at a monthly rent of RMB15,000.	RMB65,700,000 (Please see note 3 below)

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract (國有土地使用權出讓合同書) entered into between Lianzhou City State-owned Land Resources Bureau (連州市國土資源局) and 建滔(連州)銅箔有限公司, dated 8 September 2005, the former has agreed to grant to the latter the land use rights of land of the property with a site area of 563,842.9 sq.m. at land premium of RMB12,686,465.25 for a term of 50 years for industrial use. [redacted]

2. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用證), Lian Fu Guo Yong (2005) Dj No. 8827000004 (連府國用(2005)第 882700004 號) dated 31 October 2005 issued by the [redacted]

3. As advised by the Group, the building of the property with a GFA of approximately 3,696 sq.m. was completed in about 2007 and no title document was obtained for the building of the property. As per the instruction from the Group and for reference purpose, in the course of our valuation, we assumed that the property can be disposed of freely in the open market. The building value as the date of valuation is approximately RMB5,000,000 assuming that relevant title document has been obtained and the building can be disposed of freely in the open market.

4. We have been instructed by the Group to value the property based on the following assumptions as at the date of valuation:

   a. 建滔(連州)銅箔有限公司 is in possession of a proper legal title to the property and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;

   b. All land premium and other costs of ancillary utility services has been settled in full;

   c. The property is not subject to mortgage or any other material encumbrances;

   d. The existing use of the property is in compliance with the local planning regulations and have been approved by the relevant authorities; and

   e. Whether as a whole or on strata basis, the property can be freely transferred to local or overseas purchasers.

5. As advised by the Group, 建滔(連州)銅箔有限公司 is a subsidiary of the Company.

BY ORDER OF THE BOARD
Kingboard Chemical Holdings Limited
Lo Ka Leong
Company Secretary

BY ORDER OF THE BOARD
Kingboard Laminates Holdings Limited
[illegible]
Company Secretary

Hong Kong, 3 April 2017

As at the date of this announcement, the board of directors 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. Cheng Wai Chee, Christopher, Cheung Ming Man, Chong Kin Ki and Leung Tai Chiu, being the independent non-executive directors.

As at the date of this announcement, the board of directors 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.