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**KINGBOARD CHEMICAL
HOLDINGS LIMITED**

建滔化工集團*

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 148)



**KINGBOARD LAMINATES
HOLDINGS LIMITED**

建滔積層板控股有限公司

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 1888)

JOINT ANNOUNCEMENT

**ANNOUNCEMENT RELATED TO THE UNAUDITED CONSOLIDATED
QUARTERLY RESULTS OF A SUBSIDIARY**

KBCF announced its unaudited consolidated results for the three months ended June 30,

**“KINGBOARD COPPER FOIL HOLDINGS LIMITED
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD
ENDED JUNE 30, 2013**

**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		
	3 months ended		
	June 30,	June 30,	%
	2013	2012	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	120,386	123,472	-2.50%
Cost of sales	(106,446)	(109,354)	-2.66%
Gross profit	13,940	14,118	-1.26%
Other operating income	713	991	-28.05%
Distribution costs	(2,948)	(2,774)	6.27%
Administrative expenses	(3,824)	(3,806)	0.47%
Other operating expenses	-	(685)	-100.00%
Share of loss of an associate	(3,127)	(2,984)	4.79%
Profit before tax	4,754	4,860	-2.18%
Income tax expense	(2,909)	(4,062)	-28.39%
Profit for the period	<u>1,845</u>	<u>798</u>	<u>131.20%</u>
Profit for the period attributable to:			
Owners of the Company	<u>683</u>	<u>(1,158)</u>	<u>NM</u>
Non-controlling interests	<u>1,162</u>	<u>1,956</u>	<u>-40.59%</u>

NM: Not meaningful

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

	Group		
	3 months ended		
	June 30,	June 30,	%
	2013	2012	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Other operating income including interest income	(713)	(991)	-28.05%
Depreciation of property, plant and equipment	39,267	42,351	-7.28%
Amortisation of prepaid land use rights	270	270	0.00%

1(b)(i) A

	Group		Company	
	As at June 30, 2013 <i>HK\$'000</i>	As at December 31, 2012 <i>HK\$'000</i>	As at June 30, 2013 <i>HK\$'000</i>	As at December 31, 2012 <i>HK\$'000</i>
Non-current assets:				
Investment in subsidiaries	-	-	393,775	393,775
Investment in an associate	75,163	81,705	31,000	31,000
Due from a subsidiary	-	-	859,351	860,243
Investment property	6,382	6,269	-	-
Property, plant and equipment	860,336	926,380	-	-
Prepaid land use rights	42,948	42,676	-	-
Non-current deposits	-	5,243	-	-
Goodwill	238	238	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

	3 Months ended	
	June 30,	June 30,
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating cash flow before movements in working capital	46,894	50,299
Trade and other receivables and prepayments	(11,216)	(11,647)
Bills receivable	10,769	12,471
Inventories	3,318	(3,775)

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	
	3 Months ended		3 Months ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30 2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit (loss) for the period	1,845	798	(557)	(155)
Other comprehensive income (loss):				
Exchange difference arising on translation to foreign operations	24,607	(8,575)	-	-
Total comprehensive income (loss) for the period	<u>26,452</u>	<u>(7,777)</u>	<u>(557)</u>	<u>(155)</u>
Total comprehensive income (loss) attributable to:				
Owners of the Company	20,769	(9,515)	(557)	(155)
Non-controlling interests	5,683	1,738	-	-
	<u>26,452</u>	<u>(7,777)</u>	<u>(557)</u>	<u>(155)</u>

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						Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserves	Currency translation reserves	Accumulated profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Group								
Second quarter 2013 ("Q2 2013")								
Balance at April 1, 2013	560,200	296,573	6,275	478,050	1,435,544	2,776,642	25,485	2,802,127
Total comprehensive income for the period	-	-	-	20,086	683	20,769	5,683	26,452
Balance at June 30, 2013	<u>560,200</u>	<u>296,573</u>	<u>6,275</u>	<u>498,136</u>	<u>1,436,227</u>	<u>2,797,411</u>	<u>31,168</u>	<u>2,828,579</u>
Second quarter 2012 ("Q2 2012")								
Balance at April 1, 2012	560,200	296,573	6,275	466,005	1,444,371	2,773,424	37,461	2,810,885
Total comprehensive income (loss) for the period	-	-	-	(8,357)	(1,158)	(9,515)	1,738	(7,777)
Balance at June 30, 2012	<u>560,200</u>	<u>296,573</u>	<u>6,275</u>	<u>457,648</u>	<u>1,443,213</u>	<u>2,763,909</u>	<u>39,199</u>	<u>2,803,108</u>
		Share capital	Share premium	Capital reserves	Accumulated profits	Total		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000
Company								
Second quarter 2013 ("Q2 2013")								
Balance at April 1, 2013		560,200	296,573	6,275	418,819	1,281,867		
Total comprehensive loss for the period		-	-	-	(557)	(557)		
Balance at June 30, 2013		<u>560,200</u>	<u>296,573</u>	<u>6,275</u>	<u>418,262</u>	<u>1,281,310</u>		
Second quarter 2012 ("Q2 2012")								
Balance at April 1, 2012		560,200	296,573	6,275	418,003	1,281,051		
Total comprehensive loss for the period		-	-	-	(155)	(155)		
Balance at June 30, 2012		<u>560,200</u>	<u>296,573</u>	<u>6,275</u>	<u>417,848</u>	<u>1,280,896</u>		

- 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 3 months' period ended June 30, 2013. The Company does not have any convertibles or treasury shares as at the end of the current financial period 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.**

	As at June 30, 2013 '000	As at December 31, 2012 '000	As at June 30, 2013 HK\$'000	As at December 31, 2012 HK\$'000
Share capital				
	Number of ordinary shares of US\$0.10 each			
Authorised	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,550,000</u>	<u>1,550,000</u>
Issued and fully paid	<u>722,500</u>	<u>722,500</u>	<u>560,200</u>	<u>560,200</u>

- 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 2012 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 2013.

- 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.

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 of Kingboard Copper Foil Holdings Limited (“the Company”) and its subsidiaries (together with the Company, “the Group”) for the second quarter of 2013 (“Q2 2013”). As the Company has ceased its operations in the production and sale of copper foil since 1 September 2011, revenue for the current quarter comprised (i) the receipt of the license fee of HK\$30 million pursuant to the on-going licensing arrangement which commenced on 1 September 2011 and (ii) the sale of polyvinyl butyral (“PVB”) resin for HK\$90 million, a basic raw material for the production of PVB film which is used to produce reinforced glass for both automotive industry and buildings. The Group’s turnover for Q2 2013 was HK\$120 million which was similar to the turnover amounted to HK\$123 million of the second quarter of 2012 (“Q2 2012”). Net profit attributable to ownertributa

- 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, shareholders of the Company did not approve the renewal of the mandate (“Shareholders’ Mandate”) to enable the Group to enter into interested person transactions with Kingboard Chemical Holdings Limited (“Kingboard Chemical”) and its associates (together, the “Interested Persons”). As an interim measure, the Company had entered into a licensing arrangement to license the properties, inventory and machinery that were previously used for the production of copper foil to Harvest Resource Management Limited, an independent third party, in order to ensure that a steady stream of license fee is received by the Group. The licensing arrangement is expected to continue for the full term to end of August 2013. Management is currently considering a number of possible options on expiry of the existing licensing arrangement including but not limit to renewal of the licensing arrangement with an independent third party. The Group will, in compliance with

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economics conditions, shifts in customer demands, customers and partners, and government and policy changes. You are cautioned not to place undue reliance on these forward-looking statements which are based on current view of management on future events.

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 dividend has been proposed or declared for the 3 months' period ended June 30, 2013.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 and half year Results)

13 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.

Not applicable.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15 **A breakdown of sales.**

Not applicable.

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

Not applicable.

17 **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.**

Not applicable.

18 **Interested Person Transactions – Pursuant to Rule 920(1)(a)(ii) of the Listing**

On behalf of the board of directors
Kingboard Copper Foil Holdings Limited

Lam Ka Po
Director

Cheung Kwok Ping
Director

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

BY ORDER OF THE BOARD
Kingboard Laminates Holdings Limited
Tsoi Kin Lung
Company Secretary

Hong Kong, August 7, 2013

As at the date of this announcement, the board of directors (“Board”) of Kingboard Chemical consists of Messrs. Cheung Kwok Wing, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Mok Cham Hung, Chadwick and Chen Maosheng, being the executive directors, Mr. Chan Wing Kwan, being the non-executive director and Messrs. Lai Chung Wing, Robert, Cheng Wai Chee, Christopher, Tse Kam Hung and Tang King Shing, being the independent non-executive directors.

As at the date of this announcement, the Board of Kingboard Laminates consists of Messrs. Cheung Kwok Wa, Cheung Kwok Keung, Cheung Kwok Ping, Lam Ka Po, Cheung Ka Ho, Liu Min and Zhou Pei Feng, being the executive directors, Mr. Lo Ka Leong, being the non-executive director, and Messrs. Chan Yue Kwong, Michael, Leung Tai Chiu, Mok Yiu Keung, Peter and Ip Shu Kwan, Stephen, being the independent non-executive directors.