KINGBOARD CHEMICAL HOLDINGS LIMITED
建滔化工集團*

(Stock Code: 148)

KINGBOARD LAMINATES HOLDINGS LIMITED
建滔積層板控股有限公司

(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, 2014 on the Singapore Exchange Securities Trading Limited on August 6, 2014.

Pursuant to Rule 705 and Rule 920 (1 (a (ii of the Listing Manual of the Singapore Exchange Securities Trading Limited, Kingboard Copper Foil Holdings Limited ("KBCF" or the "Company" a public company listed on the Singapore Exchange Securities Trading Limited announced its unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group" for the three months ended June 30, 2014 on the website of www.sgx.com of Singapore Exchange Securities Trading Limited on August 6, 2014. The results are prepared in accordance with Singapore Financial Reporting Standards and Interpretations of Financial Reporting Standards.

KBCF is an indirect 64.57%-owned subsidiary of Kingboard Laminates Holdings Limited ("Kingboard Laminates" In turn, Kingboard Laminates is a 74.59%-owned subsidiary of Kingboard Chemical Holdings Limited ("Kingboard Chemical" Both Kingboard Chemical and Kingboard Laminates are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange"

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

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"KINGBOARD COPPER FOIL HOLDINGS LIMITED
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED JUNE 30, 2014

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

1(a) A statement of profit or loss (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	3 Months ended		
	June 30, 2014	**June 30, 2013**	**% Change**
	$'000	*$'000*	
Revenue	130,219	120,386	8.17%
Cost of sales	(112,663)	(106,446)	5.84%
Gross profit	17,556	13,940	25.94%
Other operating income	582	713	-18.37%
Distribution costs	(3,179)	(2,948)	7.84%
Administrative expenses	(3,824)	(3,824)	0.00%
Other operating expenses	(9)	–	NM
Finance costs	(189)	–	NM
Share of losses of an associate	(2,375)	(3,127)	-24.05%
Profit before tax	8,562	4,754	80.10%
Income tax expense	(2,601)	(2,909)	-10.59%
Profit for the period	5,961	1,845	223.09%
Profit for the period attributable to:			
Owners of the Company	4,477	683	555.49%
Non-controlling interests	1,484	1,162	27.71%

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

	Group 3 Months ended June 30, 2014 $'000	June 30, 2013 $'000	% Change
Other operating income including interest income	(582)	(713)	-18.37%
Depreciation of property, plant and equipment	35,508	39,267	-9.57%
Amortisation of prepaid land use rights	270	270	0.00%

1(b)(i) A statements 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 June 30, 2014 *$'000*	As at December 31, 2013 *$'000*	As at June 30, 2014 *$'000*	As at December 31, 2013 *$'000*
ASSETS				
Current assets:				

	Group		Company	
	As at June 30, 2014	As at December 31, 2013	As at June 30, 2014	As at December 31, 2013
	$'000	*$'000*	*$'000*	*$'000*
Non-current assets:				
Investment in subsidiaries	–	–	393,775	393,775
Investment in an associate	65,751	70,715	24,000	24,000

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

	Group 3 Months ended		Company 3 Months ended	
	June 30, 2014	**June 30, 2013**	**June 30, 2014**	**June 30, 2013**
	$'000	*$'000*	*$'000*	*$'000*
Profit (Loss) for the period	5,961	1,845	(1,043)	(557)
Other comprehensive (loss) income:				
Exchange difference arising on translation to foreign operations	(1,960)	24,607	–	–
Total comprehensive income (loss) for the period	4,001	26,452	(1,043)	(557)
Total comprehensive income (loss) attributable to:				
Owners of the Company	2,530	20,769	(1,043)	(557)
Non-controlling interests	1,471	5,683	–	–
	4,001	26,452	(1,043)	(557)

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity

	Share capital	Share premium	Capital reserves	Retained profits	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Company					
Second quarter 2014 ("Q2 2014")					
Balance at April 1, 2014	560,200	296,573	6,275	418,743	1,281,791
Total comprehensive loss for the period					
Loss for the period	–	–	–	(1,043)	(1,043)
Balance at June 30, 2014	560,200	296,573	6,275	417,700	1,280,748
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					
Loss for the period	–	–	–	(557)	(557)
Balance at June 30, 2013	560,200	296,573	6,275	418,262	1,281,310

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,

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 June 30, 2014 *'000*	As at December 31, 2013 *'000*	As at June 30, 2014 *$'000*	As at December 31, 2013 *$'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 2013 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 2014.

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.

	3 Months from April 1, 2014 to June 30, 2014	3 Months from April 1, 2013 to June 30, 2013
Based on the weighted average number of ordinary shares in issue	0.62 HK cents	0.09 HK cents
On a fully diluted basis	0.62 HK cents	0.09 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	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Net asset value per ordinary share based on issued share capital at the end of the period reported on	391.84 HK cents	393.79 HK cents	177.27 HK cents	177.53 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 of Kingboard Copper Foil Holdings Limited ("the Company") and its subsidiaries (together with the Company, "the Group") for the second quarter of 2014 ("Q2 2014"). Revenue for the current quarter comprised (i) the receipt of the license fee of HK$30 million pursuant to the licensing arrangement which was renewed for a term of two years on 1 September 2013 and (ii) the sale of polyvinyl butyral ("PVB") resin for HK$100 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 revenue for Q2 2014 increased 8% to HK$130 million against the second quarter of 2013 ("Q2 2013") and net profit attributable to owners of the Company for Q2 2014 was HK$4.5 million.

Distribution costs in Q2 2014 increased 8% compared to the corresponding period for the last financial year to approximately HK$3.2 million as a result of higher shipment volume of PVB products. Finance costs in Q2 2014 was approximately HK$0.2 million as a bank loan was raised by a PVB plant in PRC in the current year.

Our financial position continues to be sound. At the end of Q2 2014, net current assets and current ratio were approximately HK$1,295 million and 15.6 respectively. Current assets mainly comprised cash and bank balances of HK$1,223 million, trade and other receivables and prepayments of HK$91 million, bills receivable of HK$40 million and inventories of HK$29 million. At the end of Q2 2014, the Company's interest in Linkfit Investment Holdings Limited ("Linkfit"), a private company incorporated in Samoa, was 29.67%. The unquoted equity shares were stated at fair value at the end of the reporting period.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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 renewed for the term of two years to end of August 2015. The Group will, in compliance with the Listing Manual, make relevant disclosures as and when appropriate.

PVB Business

As mentioned previously, PVB is a key raw material for PVB film which is used in reinforced glass for both automotive industry and buildings. As the Chinese government continues to encourage domestic consumption and improve living standard for Chinese citizens, we believe that the demand for automotive and building construction will continue to be robust and this would in turn drive up demand for PVB products. The Group will focus on upgrading our production capabilities and product mix to meet customer demands in order to further advance market share in the domestic China market.

Litigation in Bermuda

On 3 August 2011, a petition was filed in the Supreme Court of Bermuda (the “Petition”) by Annuity & Re Life Limited naming the Company and a number of its shareholders. The Petition concerns a shareholder dispute and the Company is a neutral party, however the Petition makes a number of allegations concerning the Company and its management. The Company is of the view that the allegations are baseless and the Petition itself is without merit. The case is still on-going and the Company will make further announcements as and when necessary to keep shareholders informed of material developments in this matter.

11 Dividend.

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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(issuefNilasmakeefNilasanefNilasapp**