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**KINGBOARD CHEMICAL
HOLDINGS LIMITED**

建滔化工集團*

(Incorporated in the Cayman Islands)



**KINGBOARD LAMINATES
HOLDINGS LIMITED**

建滔積層板控股有限公司

(Incorporated in the Cayman Islands)

* For identification purpose only

**“KINGBOARD COPPER FOIL HOLDINGS LIMITED
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD
ENDED SEPTEMBER 30, 2011**

**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		% Change
	September 30, 2011	September 30, 2010	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	719,359	1,254,732	-42.67%
Cost of sales	(688,102)	(1,185,760)	-41.97%
Gross profit	31,257	68,972	-54.68%
Other operating income	2,506	2,783	-9.95%
Distribution costs	(9,287)	(13,837)	-32.88%
Administrative expenses	(10,883)	(14,710)	-26.02%
Other operating expenses	(336)	(276)	21.74%
Finance costs (interest expenses paid to non-related companies)	(772)	(171)	351.46%
Share of result of an associate	(2,489)		NM
Profit before tax	9,996	42,761	-76.62%
Income tax expense	(2,499)	(3,410)	-26.72%
Profit for the period	7,497	39,351	-80.95%
Attributable to:			
Owners of the Company	5,072	38,138	-86.70%
Non-controlling interests	2,425	1,213	99.92%

NM : not meaningful

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

	Group		
	3 months ended		
	September 30,	September 30,	%
	2011	2010	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Other operating income			
including interest income	(2,506)	(2,783)	-9.95%
Loss on fair value changes			
of derivative financial			
instruments		9,277	-100.00%
Interest on bank borrowings	772	171	351.46%
Depreciation of property, plant			
and equipment	44,308	47,784	-7.27%
Amortisation of prepaid land			
use rights	261	257	1.56%

- 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.year.**

	Group		Company	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
LIABILITIES AND EQUITY				
Current liabilities:				
Due to a subsidiary			2,721	2,645
Bank borrowings	231,307	133,104		
Bills payable	28,120	41,329		
Trade and other payables	155,712	160,063		754
Derivative financial instruments		33,493		
Income tax payable	2,979	19,126	38	38
	<u>418,118</u>	<u>387,115</u>	<u>2,759</u>	<u>3,437</u>
Total current liabilities				
Capital and reserves and non-controlling interests:				
Issued capital	560,200	560,200	560,200	560,200
Reserves	2,200,454	2,064,886	727,572	727,032
	<u>2,760,654</u>	<u>2,625,086</u>	<u>1,287,772</u>	<u>1,287,232</u>
Equity attributable to owners of the Company				
Non-controlling interests	35,391	29,457		
	<u>2,796,045</u>	<u>2,654,543</u>	<u>1,287,772</u>	<u>1,287,232</u>
Total equity				
Total liabilities and equity	<u>3,214,163</u>	<u>3,041,658</u>	<u>1,290,531</u>	<u>1,290,669</u>

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

Amount repayable in one year or less, or on demand

As at September 30, 2011		As at December 31, 2010	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	231,307		133,104

Amount repayable after one year

As at September 30, 2011		As at December 31, 2010	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>

3 months ended
September 30, September 30,
2011 2010
HK\$'000 HK\$'000

Operating cash flow before adjustments		
Working capital	56,435	100,708
Trade and other receivables and prepaids	291,304	(6,680)
Bills receivable	140,372	(80,310)
Inventories	94,455	26,336
Trade and other payables	(51,290)	17,531
Bills payable	(12,807)	16,191
Cash generated from operations	518,469	73,776
Income tax paid	(14,241)	(9,933)
Dividend paid		(7,225)
Interest paid	(772)	(171)
Interest received	1,391	522
Net cash generated from operating activities	504,847	56,969
Investing activities:		
Interests in associate	(20,088)	
Proceeds from disposal of property, plant and equipment		746
Purchase of property, plant and equipment	(9,279)	(4,487)
Net cash used in investing activities	(29,367)	(3,741)
Financing activities:		
New bank borrowings raised	231,307	59,683
Repayment of bank borrowings	(462,955)	(196,846)

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	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit (loss) for the period	7,497	39,351	7,976	(523)
Other comprehensive income:				
Exchange difference arising of translation to foreign operations	41,066	20,131		
Share of exchange reserve of an associate	(6)			
Other comprehensive income for the period	41,060	20,131		
Total comprehensive income (loss) for the period	48,557	59,482	7,976	(523)
Total comprehensive income (loss) attributable to:				
Owners of the Company	45,447	57,984	7,976	(523)
Non-controlling interests	3,110	1,498		
	48,557	59,482	7,976	(523)

- 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

- 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 September 30, 2011.

- 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

Share capital

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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the audited financial statements for the year ended December 31, 2010.

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.

Not applicable.

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 July 1, 2011 to September 30, 2011	3 months from July 1, 2010 to September 30, 2010
Based on the weighted average number of ordinary shares in issue	0.70 HK cents	5.28 HK cents
On a full diluted basis	0.70 HK cents	5.28 HK cents

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 a pleasure to present the financial results of Kingboard Copper Foil Holdings Limited (the Company) and its subsidiaries (the Group) for the third quarter of 2011 (Q3 2011). With the months of global copper foil business and the month of licensing fee income of HK\$10 million from the completion of the licensing arrangement with effect from 1 September 2011, the Group's turnover decreased 43% to HK\$719.4 million against the same period last year. Furthermore, affected by slower global demand, business settlement for electronic products supply chain softened in Q3 2011 against second quarter 2011 (Q2 2011). As liabilities customers made it very difficult to adjust in the current quarter in anticipation for softened business due to as a result of the ongoing European sovereign debt issues against a backdrop of slower global economic growth, average monthly copper foil shipment volume as down over 25% in the first three months of Q3 2011 against the same period in the previous year. Gross profit margin as down to 4.3% (Q3 2010: 5.5%). Net profit attributable to owners of the Company in Q3 2011 as HK\$5.1 million, representing a decline of 87% on a year-on-year basis.

With copper foil sales in the first three months of Q3 2011, sales to external customers accounted for 17% of total sales (Q3 2010: 9%). In terms of product mix, 18-micro and below thickness copper foil accounted for 33% of the total sales (Q3 2010: 28%) while 35-micro and above thickness copper foil accounted for 67% (Q3 2010: 72%).

Our financial position continued to be solid. As at September 30, 2011, net current assets and current ratio were approximately HK\$826.9 million and 3.0 respectively. Current assets mainly comprised cash and bank balances of HK\$603.9 million, trade and other receivables and prepayments of HK\$321.2 million and bills receivables of HK\$281.7 million. Inventories decreased by around 96% to HK\$37.2 million as compared with December 31, 2010 as a result of the reclassification of copper foil related inventory of HK\$708.6 million to property, plant and equipment from the completion of the licensing arrangement. As at the end of September 2011, interests in Likfit Investment Holdings Limited (Likfit), a private company incorporated in Samoa, was 29.32%. The unquoted equity shares were stated at fair value at the end of the reporting period.

Distribution costs in Q3 2011 decreased 33% to approximately HK\$9.3 million against the same period last year, in line with lower shipping volume. Finance costs increased 351% to HK\$0.8 million primarily due to higher level of bank borrowings against the same period last year. Bank borrowings, largely consisted of short-term trust receipt loans, were mainly used to finance working capital.

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.

Prospects

At the Annual General Meeting of the Company on 25 October 2011, the Board of Directors has discussed the prospects of the Company for the next reporting period and the next 12 months.

Interests in Linkfit

As stated above, the Company currently has a 29.32% interest in Linkfit, a company incorporated in Samoa on 17 December 2003. Linkfit is primarily engaged in investment holdings and its key investment relates to the Sofitel Qigua Riverside (Sofitel) which is a hotel situated in Guangdong Province, the People's Republic of China (the PRC). Linkfit derives its income mainly from the hotel operation of Sofitel.

The Company believes that the investment in Linkfit provides excellent opportunities for the Group to further expand its business scope. It believes that Linkfit's key asset, the Sofitel, a hotel situated in Guangdong in the PRC, has good long term potential. The investment in Linkfit is strategic in nature and together with the economic growth of the PRC, the Group believes that it is a favourable time to invest in hospitality services in the PRC as demand for such services from foreigners and the local Chinese will continue to grow.

Further, given that the resolution of the Shareholders' Meeting was not approved by the shareholders at the Annual General Meeting of the Company held on 29 April 2011, the Company believes that the interest in Linkfit will be a useful diversification of the business activities of the Company. The Board is currently considering taking further investment in Linkfit and the Company will make a decision as and when appropriate.

The Group will continue to actively consider the appropriate actions that need to be taken in order to address the disapproval of the resolution of the Shareholders' Meeting and will, in compliance with the Corporate Disclosure Policy of the Listing Manual, make relevant disclosures as and when appropriate.

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 economic 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 information of management on future events.

11 Dividend.

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) *Date Payable*

Not applicable.

(d) *Books close date*

Not applicable.

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

Aggregate value of interested person transactions entered from July 1, 2011 to September 30, 2011.

Name of interested person	Aggregate Value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) HK\$'000	Aggregate Value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) HK\$'000
Chu g Shu La i ates (MCO) Li ited	299	413,270
Ki gboard La i ates (Ku sha) Co , Li ited		31,856
Ki gboard La i ates (Jia g e) Co , Li ited		25,395
Ku sha Yattao Che ical Co. Ltd.		38,873
Tech ise (MCO) Circuits Li ited		4,663
Gua gzhou Elec & Eltek High De sit I terco ect Tech olog No. 1 Co., Ltd.		7,777
Gua gzhou Elec & Eltek Microvia Tech olog Co., Ltd.		1,015
Elec & Eltek (MCO) Li ited		40,418
She zhe Pacific I sulati g Material Co., Ltd.		22,471
Huizhou Chu g Shu Che ical Co., Ltd.		920
Kai g Pacific I sulati g Material Co., Ltd.		6,404
Kai Pi g Elec & Eltek Co , Li ited		2,885
Kai g Elec & Eltek No. 3 Co , Li ited		5,443
Total	299	601,390

Note: All the above a ed co ies are subsidiaries of Ki gboard Che ical Holdi gs Li ited, which is listed o the ai board of The Stock Excha ge of Ho g Ko g Li ited a d is the uli ate holdi g co of Ki gboard Co per Foil Holdi gs Li ited.

Confirmation By the Board

We, CHEUNG KWOK PING and LAM KA PO being two directors of Kingboard Copper Foil Holdings Limited, do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which would render the Q3 2011 financial results to be false or misleading in all material aspects.

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

Cheung Kwok Ping
Director

Lam Ka Po
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, November 2, 2011

As at the date of this announcement, the board of directors ("Board") of Kingboard Chemical consists of Messrs. Cheung Kwok Wing, Chang Wing Yi, Cheung Kong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Mok Cham Hong, Chadwick and Chen Maosheng, being the executive directors, Mr. Chan Wing Kwan, being the non-executive director and Messrs. Lai Ching Wing, Robert, Cheng Wai Chee, Christopher, Tse Kam Hong and Henry Tan, 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, Chan Sachi, Li Min and Zho Pei Feng, being the executive directors, Mr. Lo Ka Leong, being the non-executive director, and Messrs. Chan Yee Kong, Michael, Leung Tai Chi, Mok Yikeung, Peter and Ip Shik Kwan, Stephen, being the independent non-executive directors.