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KINGBOARD CHEMICAL HOLDINGS LIMITED

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

(Stock Code: 148)

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KINGBOARD LAMINATES HOLDINGS LIMITED

*(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 September 30, 2009 on the Singapore Exchange Securities Trading Limited on November 4, 2009.

Pursuant to Rule 705 and Rule 920 (1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Kingboard Copper Foil Holdings Limited (“KBCF” or the “Company”), a public company listed on the Singapore Exchange Securities Trading Limited announced its unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended September 30, 2009 on the website of www.sgx.com of Singapore Exchange Securities Trading Limited on November 4, 2009. The results are prepared in accordance with Singapore Financial Reporting Standards and Interpretations of Financial Reporting Standards.

KBCF is an indirect 64.44%-owned subsidiary of Kingboard Laminates Holdings Limited (“Kingboard Laminates”). In turn, Kingboard Laminates is a 70.01%-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 (the “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.

**“KINGBOARD COPPER FOIL HOLDINGS LIMITED
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD
ENDED SEPTEMBER 30, 2009**

**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		
	September 30,	September 30,	%
	2009	2008	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	828,086	938,576	-11.77%
Cost of sales	<u>(741,012)</u>	<u>(880,555)</u>	<u>-15.85%</u>
Gross profit	87,074	58,021	50.07%
Other operating income	3,798	3,707	2.45%
Distribution costs	(9,045)	(7,893)	14.60%
Administrative expenses	(13,813)	(13,011)	6.16%
Other operating expenses	(490)	(2,105)	-76.72%
Finance costs – interest expenses paid to non-related companies	<u>(361)</u>	<u>(4,680)</u>	<u>-92.29%</u>
Profit before tax	67,163	34,039	97.31%
Income tax expense	<u>(5,375)</u>	<u>(2,791)</u>	<u>92.58%</u>
Profit for the period	<u>61,788</u>	<u>31,248</u>	<u>97.73%</u>
Attributable to:			
Equity holders of the Company	<u>61,121</u>	<u>31,146</u>	<u>96.24%</u>
Minority interests	<u>667</u>	<u>102</u>	<u>553.92%</u>

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

	Group		% Change
	3 months ended September 30, 2009	September 30, 2008	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Other operating income including interest income	(3,798)	(3,707)	2.45%
Realised gain on derivative financial instruments	(4,087)	–	N/A
Interest on bank borrowings	361	4,680	-92.29%
Depreciation of property, plant and equipment	49,106	46,279	6.11%
Amortisation of prepaid land use rights	273	303	-9.90%

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

	Group		Company	
	As at September 30, 2009	As at December 31, 2008	As at September 30, 2009	As at December 31, 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS				
Current assets:				
Cash and bank balances	214,448	372,828	–	–
Derivative financial instruments	–	2,454	–	–
Trade and other receivables and prepayments	518,235	349,268	17,681	17,681
Prepaid land use rights	1,021	1,018	–	–
Inventories	530,121	467,839	–	–
Total current assets	<u>1,263,825</u>	<u>1,193,407</u>	<u>17,681</u>	<u>17,681</u>
Non-current assets:				
Subsidiaries	–	–	393,775	393,775
Due from a subsidiary	–	–	856,714	862,983
Property, plant and equipment	1,355,196	1,432,327	–	–
Prepaid land use rights	42,653	43,376	–	–
Available-for-sale investments	19,800	19,800	19,800	19,800
Non-current deposits	22,521	8,328	–	–
Goodwill	238	238	–	–
Total non-current assets	<u>1,440,408</u>	<u>1,504,069</u>	<u>1,270,289</u>	<u>1,276,558</u>
Total assets	<u>2,704,233</u>	<u>2,697,476</u>	<u>1,287,970</u>	<u>1,294,239</u>

	Group		Company	
	As at September 30, 2009 HK\$'000	As at December 31, 2008 HK\$'000	As at September 30, 2009 HK\$'000	As at December 31, 2008 HK\$'000
LIABILITIES AND EQUITY				
Current liabilities:				
Due to a subsidiary	–	–	2,087	1,155
Bank borrowings	107,734	180,152	–	–
Trade payables	210,905	109,005	–	–
Income tax payable	47,636	49,296	38	38
Total current liabilities	366,275	338,453	2,125	1,193
Capital and reserves and minority interests:				
Issued capital	560,200	560,200	560,200	560,200
Reserves	1,754,406	1,775,865	725,645	732,846
Equity attributable to equity holders of the Company	2,314,606	2,336,065	1,285,845	1,293,046
Minority interests	23,352	22,958	–	–
Total equity	2,337,958	2,359,023	1,285,845	1,293,046
Total liabilities and equity	2,704,233	2,697,476	1,287,970	1,294,239

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

Amount repayable in one year or less, or on demand

As at September 30, 2009		As at December 31, 2008	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
–	107,734	–	180,152

Amount repayable after one year

As at September 30, 2009		As at December 31, 2008	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
–	–	–	–

Details of any collateral

Not applicable.

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

	3 months ended	
	September 30, 2009	September 30, 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash flows from operations:		
Profit before tax	67,163	34,039
Adjustments for:		
Depreciation of property, plant and equipment	49,106	46,279
Amortisation of prepaid land use rights	273	303
Realised gain on derivative financial instruments	(4,087)	–
Loss on disposal of property, plant and equipment	245	–
Interest expense and finance charges	361	4,680
Interest income	(479)	(3,669)
	<hr/>	<hr/>
Operating cash flow before working capital changes	112,582	81,632
Trade and other receivables and prepayments	(137,045)	(1,126)
Proceed from settlement of derivative financial instruments	4,087	4,718
Inventories	(24,139)	29,557
Trade payables	1,359	(6,572)
	<hr/>	<hr/>
Cash generated from operations	(43,156)	108,209
Income tax paid	(1,192)	(2,758)
Dividend paid	–	(18,785)
Interest paid	(361)	(4,680)
Interest received	479	3,669
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	<u>(44,230)</u>	<u>85,655</u>
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	679	–
Purchase of property, plant and equipment	(11,985)	(110,065)
	<hr/>	<hr/>
Net cash used in investing activities	<u>(11,306)</u>	<u>(110,065)</u>
Cash flows from financing activities:		
Increase in bank borrowings	39,287	113,410
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Net cash generated from financing activities	<u>39,287</u>	<u>113,410</u>
Effects of consolidating foreign subsidiaries		
	<u>67</u>	<u>20,288</u>
(Decrease)/Increase in cash and bank balances	(16,182)	109,288
Cash and bank balances at the beginning of the period	230,630	203,666
	<hr/>	<hr/>
Cash and bank balances at the end of the period	<u>214,448</u>	<u>312,954</u>

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	September	September	September
	30, 2009	30, 2008	30, 2009	30, 2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period	61,788	31,248	8	18,787
Other comprehensive income:				
Exchange difference arising on translation of foreign operations	808	20,729	–	–
Total comprehensive income for the period	<u>62,596</u>	<u>51,977</u>	<u>8</u>	<u>18,787</u>
Total comprehensive income attributable to:				
Equity holders of the Company	61,918	51,875	8	18,787
Minority interests	678	102	–	–
	<u>62,596</u>	<u>51,977</u>	<u>8</u>	<u>18,787</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 equity holders of the Company								
	Issued capital HK\$'000	Share premium HK\$'000	Capital reserves HK\$'000	Proposed dividend HK\$'000	Currency translation reserves HK\$'000	Accu- mulated profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
Group									
Third quarter 2009 ("Q3 2009")									
Balance at July 1, 2009	560,200	296,573	6,275	–	296,925	1,092,715	2,252,688	22,674	2,275,362
Total comprehensive income for the period	–	–	–	–	797	61,121	61,918	678	62,596
Balance at September 30, 2009	<u>560,200</u>	<u>296,573</u>	<u>6,275</u>	<u>–</u>	<u>297,722</u>	<u>1,153,836</u>	<u>2,314,606</u>	<u>23,352</u>	<u>2,337,958</u>
Third quarter 2008 ("Q3 2008")									
Balance at July 1, 2008	560,200	296,573	6,275	18,785	276,420	1,165,774	2,324,027	22,888	2,346,915
Total comprehensive income for the period	–	–	–	–	20,729	31,146	51,875	102	51,977
Interim dividend paid	–	–	–	(18,785)	–	–	(18,785)	–	(18,785)
Dividend paid to minority shareholders of a subsidiary	–	–	–	–	–	–	–	(438)	(438)
Balance at September 30, 2008	<u>560,200</u>	<u>296,573</u>	<u>6,275</u>	<u>–</u>	<u>297,149</u>	<u>1,196,920</u>	<u>2,357,117</u>	<u>22,552</u>	<u>2,379,669</u>

Company	Issued capital HK\$'000	Share premium HK\$'000	Capital reserves HK\$'000	Proposed dividend HK\$'000	Accu- mulated profits HK\$'000	Total HK\$'000
Third quarter 2009 (“Q3 2009”)						
Balance at July 1, 2009	560,200	296,573	6,275	–	422,789	1,285,837
Total comprehensive income for the period	–	–	–	–	8	8
Balance at September 30, 2009	<u>560,200</u>	<u>296,573</u>	<u>6,275</u>	<u>–</u>	<u>422,797</u>	<u>1,285,845</u>
Third quarter 2008 (“Q3 2008”)						
Balance at July 1, 2008	560,200	296,573	6,275	18,785	411,244	1,293,077
Total comprehensive income for the period	–	–	–	–	18,787	18,787
Interim dividend paid	–	–	–	(18,785)	–	(18,785)
Balance at September 30, 2008	<u>560,200</u>	<u>296,573</u>	<u>6,275</u>	<u>–</u>	<u>430,031</u>	<u>1,293,079</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 September 30, 2009.

- 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 September 30, 2009 '000	As at December 31, 2008 '000	As at September 30, 2009 HK\$'000	As at December 31, 2008 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.**

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those used in the audited financial statements for the year ended December 31, 2008.

- 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 Group and the Company have adopted revised Financial Reporting Standard ("FRS"), FRS 1 – Presentation of Financial Statements (Revised), which is effective for annual period beginning on or after 1 January 2009 and has changed the basis for presentation and structure of the financial statements. The adoption of the above FRS does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs and has no material effect on the amounts reported for the current or prior periods.

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, 2009 to September 30, 2009	3 months from July 1, 2008 to September 30, 2008
Based on the weighted average number of ordinary shares in issue	8.46 HK cents	4.31 HK cents
On a fully diluted basis	8.46 HK cents	4.31 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	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Net asset value per ordinary share based on issued share capital at the end of the period reported on	320.36 HK cents	323.33 HK cents	177.97 HK cents	178.97 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.**

In line with normal seasonality in the electronics industry, demand for electronic products improved in the third quarter of 2009 (“Q3 2009”) against the second quarter of 2009 (“Q2 2009”). Copper price in Q3 2009 was about 24% down against the same period last year. Hence, the achieved selling prices of copper foil products were lower than the previous year. The Group’s turnover in Q3 2009 was HK\$828 million, declined 12% against the third quarter of 2008 (“Q3 2008”).

Demand from the laminates and printed circuit board division of our parent group affiliates including Elec & Eltek PCB division showed an uptrend in Q3 2009. Sales to external customers accounted for approximately 13% of the total sales (Q3 2008: 9%). In terms of product mix, 18-micron and below thickness copper foil accounted for approximately 31% of the total sales (Q3 2008: 28%) while 35-micron and above thickness copper foil accounted for 69% (Q3 2008: 72%).

The Group’s net profit in Q3 2009 was HK\$61 million, increased 96% against Q3 2008. Gross profit margin improved significantly in Q3 2009 against Q2 2009. Pre-tax profit margin also increased to 8% as a result of better utilisation rates of our plants and lower raw material costs against the previous year.

Distribution costs in Q3 2009 were approximately HK\$9 million, increased 15% against Q3 2008 due to higher shipment volume. Finance cost decreased significantly by 92% to HK\$361,000 primarily due to lower interest costs and reduced level of bank borrowings. Bank borrowings, largely consisted of short term bank loans with floating interest rates, were mainly used as working capital for the Group.

Our consolidated financial and liquidity position remained healthy. As at September 30, 2009, net current assets and current ratio were approximately HK\$898 million and 3.5 respectively. Current assets included cash and bank balances of HK\$214 million, trade and other receivables and prepayments of HK\$518 million and inventories of HK\$530 million.

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.

Towards end of Q3 2009, macroeconomic environment has been stabilised as compared to the same period last year backed by continued governments' efforts in upholding the economy. With a more positive operating environment in all major economic regions, recent trade data showed a continuous recovery trend in business activities. Demand for electronic products remains robust in emerging market especially China. As a result, the Group experienced steady order inflow in October 2009. Being the largest copper foil manufacturer in China, the Group reaps the benefits from the country's domestic consumption growth. We will continue to enhance our competitiveness by expanding our product mix and upgrading production capabilities. With our solid business fundamentals, the Group is in an excellent position to capture business opportunities in China.

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 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 September 30, 2009.

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.**

Total annual dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year HK\$'000	Previous Full Year HK\$'000
Ordinary	–	–
Preference	–	–
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Total	–	–
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Not applicable.

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

Aggregate value of interested person transactions entered from July 1, 2009 to September 30, 2009.

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
Kingboard Laminates (MCO) Limited	284	537,861
Kingboard Laminates (Kunshan) Company Limited	–	44,216
Kingboard Laminates (Jiangmen) Company Limited	–	29,172
Kunshan Yattao Chemical Co. Ltd.	–	8,997
Techwise (MCO) Circuits Limited	–	6,291
Hengyang Kingboard Chemical Co. Ltd.	–	368
Huizhou Chung Shun Chemical Co., Ltd.	–	1,535
Shanghai Zhan Bo Marketing Co., Ltd.	–	733
Elec & Eltek (MCO) Limited	–	22,012
Express Electronics (Dongguan) Limited	–	212
GuangDong Kingboard Laminates Trading Co., Ltd.	–	42,640
Shenzhen Pacific Insulating Material Co., Ltd.	–	22,549
Kai Ping Elec & Eltek Company Limited	–	4,099
Kaiping Elec & Eltek No. 3 Company Limited	–	6,492
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Total	284	727,177
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Note: All the above named companies are subsidiaries of Kingboard Chemical Holdings Limited, which is listed on the main board of The Stock Exchange of Hong Kong Limited and is the ultimate holding company of Kingboard Copper Foil Holdings Limited.

Confirmation By the Board

We, CHAN WING KWAN and CHEUNG KWOK PING 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 may render the Q3 2009 financial results to be false or misleading in all material aspects.

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

Chan Wing Kwan
Managing Director

Cheung Kwok Ping
Director”

BY ORDER OF THE BOARD
Kingboard Chemical Holdings Limited
Chan Wing Kwan
Managing Director

BY ORDER OF THE BOARD
Kingboard Laminates Holdings Limited
Cheung Kwok Keung
Managing Director

Hong Kong, November 4, 2009

As at the date of this announcement, the board of directors (“Board”) of Kingboard Chemical consists of Messrs. Cheung Kwok Wing, Chan Wing Kwan, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie and Mok Cham Hung, Chadwick, being the executive directors, and Messrs. Lai Chung Wing, Robert, Cheng Wai Chee, Christopher, Tse Kam Hung 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 Sau Chi, Liu Min and Zhou Pei Feng, being the executive directors, Mr. Lo Ka Leong, being the non-executive director, and Messrs. Chan Charnwut Bernard, Chan Yue Kwong, Michael, Leung Tai Chiu and Mok Yiu Keung, Peter, being the independent non-executive directors.