

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

FINANCIAL HIGHLIGHTS			
	FY2008	FY2007	Change
	<i>HK\$'million</i>	<i>HK\$'million</i>	
Revenue	10,127.8	10,426.8	-3%
Profit before tax*	1,294.3	2,054.8	-37%
Net profit attributable to shareholders			
– Underlying net profit*	1,177.0	1,813.3	-35%
– Reported net profit	1,203.8	1,813.3	-34%
Basic earnings per share			
– Based on underlying net profit*	HK39.2 cents	HK60.4 cents	-35%
– Based on reported net profit	HK40.1 cents	HK60.4 cents	-34%
Full-year dividend per share	HK22.0 cents	HK30.0 cents	-27%
– Interim dividend per share	HK12.0 cents	HK10.0 cents	+20%
– Proposed final dividend per share	HK10.0 cents	HK20.0 cents	-50%
Dividend payout ratio	55%	50%	
Net asset value per share	HK\$2.42	HK\$2.25	+8%
Net gearing	12%	23%	

* Excluding the discount on acquisition of HK\$26.8 million

The board of directors (the “Board”) of Kingboard Laminates Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2008 together with the comparative figures for the year ended 31 December 2007 as follows:

Consolidated Income Statement

For the year ended 31 December 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Revenue	2	10,127,764	10,426,783
Cost of sales		<u>(8,149,908)</u>	<u>(7,671,540)</u>
Gross profit		1,977,856	2,755,243
Other income	3	48,385	69,631
Distribution costs		(187,934)	(178,744)
Administrative costs		(427,918)	(423,159)
Discount on acquisition of additional interest in a subsidiary		26,800	–
Finance costs	4	<u>(116,053)</u>	<u>(168,136)</u>
Profit before taxation		1,321,136	2,054,835
Income tax expense	6	<u>(70,466)</u>	<u>(129,226)</u>
Profit for the year		<u>1,250,670</u>	<u>1,925,609</u>
Attributable to:			
Equity holders of the Company		1,203,804	1,813,269
Minority interests		<u>46,866</u>	<u>112,340</u>
		<u>1,250,670</u>	<u>1,925,609</u>
Dividends	7	<u>960,000</u>	<u>300,000</u>
Earnings per share	8		
Basic		<u>HK\$0.401</u>	<u>HK\$0.604</u>

Consolidated Balance Sheet

At 31 December 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Non-current assets			
Investment properties		42,005	40,537
Properties, plant and equipment		5,907,816	5,152,176
Prepaid lease payments		266,993	193,187
Available-for-sale investments		19,800	19,800
Non-current deposits		78,249	221,589
Deferred tax assets		4,675	1,632
Goodwill		238	238
		<u>6,319,776</u>	<u>5,629,159</u>
Current assets			
Inventories		1,668,934	1,510,586
Trade and other receivables and prepayments	9	2,380,941	3,510,045
Prepaid lease payments		4,712	4,199
Amounts due from fellow subsidiaries		182,406	391,767
Derivative financial instruments		3,027	1,637
Taxation recoverable		7,063	12,074
Bank balances and cash		2,237,499	1,471,742
		<u>6,484,582</u>	<u>6,902,050</u>
Current liabilities			
Trade and other payables	10	837,719	892,259
Bills payable	10	319,765	600,967
Amounts due to fellow subsidiaries		10,818	4,042
Derivative financial instruments		255	1,184
Taxation payable		233,673	228,255
Bank borrowings – amount due within one year		1,078,370	636,634
		<u>2,480,600</u>	<u>2,363,341</u>
Net current assets		<u>4,003,982</u>	<u>4,538,709</u>
Total assets less current liabilities		<u>10,323,758</u>	<u>10,167,868</u>
Non-current liabilities			
Deferred tax liabilities		316	–
Derivative financial instruments		35,273	–
Bank borrowings – amount due after one year		2,130,024	2,573,462
		<u>2,165,613</u>	<u>2,573,462</u>
		<u>8,158,145</u>	<u>7,594,406</u>
Capital and reserves			
Share capital		300,000	300,000
Reserves		6,968,942	6,439,745
Equity attributable to equity holders of the Company		<u>7,268,942</u>	<u>6,739,745</u>
Minority interests		889,203	854,661
Total equity		<u>8,158,145</u>	<u>7,594,406</u>

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of financial assets
HK(IFRIC)* – INT 11	HKFRS 2: Group and treasury share transactions
HK(IFRIC) – INT 12	Service concession arrangements
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of the new HKFRSs had no material effect on how the results and the financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of financial statements ²
HKAS 23 (Revised)	Borrowing costs ²
HKAS 27 (Revised)	Consolidated and separate financial statements ³
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation ²
HKAS 39 (Amendment)	Eligible hedged items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate ²
HKFRS 2 (Amendment)	Vesting conditions and cancellations ²
HKFRS 3 (Revised)	Business combinations ³
HKFRS 7 (Amendment)	Improving disclosures about financial instruments ²
HKFRS 8	Operating segments ²
HK(IFRIC) – INT 9 & HKAS 39 (Amendment)	Embedded derivatives ⁴
HK(IFRIC) – INT 13	Customer loyalty programmes ⁵
HK(IFRIC) – INT 15	Agreements for the construction of real estate ²
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation ⁶
HK(IFRIC) – INT 17	Distribution of non-cash assets to owners ³
HK(IFRIC) – INT 18	Transfer of assets from customers ⁷

¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods ending on or after 30 June 2009

⁵ Effective for annual periods beginning on or after 1 July 2008

⁶ Effective for annual periods beginning on or after 1 October 2008

⁷ Effective for transfers on or after 1 July 2009

* IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of HKFRS 3 (Revised) may affect the accounting treatment for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company (the "Directors") anticipate that the application of other new or revised standards, amendments or interpretations will have no material impact on the results or the financial position of the Group.

2. GEOGRAPHICAL AND BUSINESS SEGMENTS

Geographical segments

The analysis of the Group's revenue by geographical market based on geographical location of customers for each of the year is as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
The People's Republic of China (the "PRC")	9,555,219	9,566,919
Other Asian countries	423,839	675,821
Europe	98,562	128,319
America	50,144	55,724
	<u>10,127,764</u>	<u>10,426,783</u>

Business segments

No business segment analysis is shown as more than 90% of the Group's principal business activities is the sales of laminates and related products.

3. OTHER INCOME

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Other income comprises:		
Rental income	12,147	7,738
Gain on fair value changes of investment properties	1,468	317
Gain on fair value changes of foreign currency forward contracts	318	86
Interest income on bank deposits	21,871	30,559
Net exchange gain	9,157	29,547
Others	3,424	1,384
	<u>48,385</u>	<u>69,631</u>

4. FINANCE COSTS

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Interest on bank borrowings wholly repayable within five years	109,915	169,025
Other finance charges	–	3,177
	<hr/>	<hr/>
Release of hedging reserve	109,915	172,202
Fair value changes of interest rate swap contracts not designated for hedging purpose	6,138	–
	<hr/>	<hr/>
	–	(1,054)
	<hr/>	<hr/>
<i>Less:</i> Interest capitalised	116,053	171,148
	–	(3,012)
	<hr/>	<hr/>
	116,053	168,136
	<hr/>	<hr/>

Borrowing costs capitalised during the year ended 31 December 2007 arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5% to expenditures on qualifying assets.

5. DEPRECIATION

During the year, depreciation of approximately HK\$719.1 million (2007: HK\$564.6 million) was charged in respect of the Group's properties, plant and equipment.

6. INCOME TAX EXPENSE

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
The amount comprises:		
Hong Kong Profits Tax		
Charge for the year	8,254	1,644
Underprovision in previous years	368	–
	<hr/>	<hr/>
	8,622	1,644
	<hr/>	<hr/>
Taxation arising in other jurisdictions		
Charge for the year	66,025	134,315
Overprovision in previous years	(1,454)	(4,558)
	<hr/>	<hr/>
	64,571	129,757
	<hr/>	<hr/>
Deferred taxation		
Credit for the year	(2,820)	(2,175)
Attributable to a change in tax rate	93	–
	<hr/>	<hr/>
	(2,727)	(2,175)
	<hr/>	<hr/>
	70,466	129,226
	<hr/>	<hr/>

On 26 June 2008, the Legislative Council of Hong Kong Special Administrative Region passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. The effect of such decrease has been reflected in measuring the current tax for the year ended 31 December 2008 and the deferred tax balance has also been adjusted to reflect the change in tax rate. Hong Kong Profits Tax was calculated at 17.5% of the estimated assessable profit for the year ended 31 December 2007.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On 16 March 2007, the PRC promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Under the New Law and Implementation Regulations, the Enterprise Income Tax rate for certain subsidiaries in the PRC was reduced from 33% to 25% from 1 January 2008 onwards.

7. DIVIDENDS

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Dividends paid		
Interim dividend of HK12 cents (2007: HK10 cents) per ordinary share	360,000	300,000
Final dividend for 2007 of HK20 cents per ordinary share (2007: no final dividend for 2006)	<u>600,000</u>	<u>–</u>
	<u>960,000</u>	<u>300,000</u>
Dividend proposed		
Proposed final dividend of HK10 cents (2007: HK20 cents) per ordinary share	<u>300,000</u>	<u>600,000</u>

The final dividend of HK10 cents per ordinary share has been proposed by the Directors and is subject to the approval by the shareholders of the Company in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the equity holders of the Company is based on the following data:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Earnings for the purpose of calculating basic earnings per share	<u>1,203,804</u>	<u>1,813,269</u>
	Number of shares	
	2008	2007
	<i>'000</i>	<i>'000</i>
Number of ordinary shares for the purpose of calculating basic earnings per share	<u>3,000,000</u>	<u>3,000,000</u>

No diluted earnings per share has been presented as the Company does not have any dilutive potential ordinary shares.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Trade receivables	1,762,339	2,460,430
Bills receivables	438,944	603,108
Other receivables and prepayments	179,658	446,507
	<u>2,380,941</u>	<u>3,510,045</u>

The Group allows credit periods of up to 120 days, depending on the products sold, to its trade customers. The following is an aged analysis of trade receivables at the balance sheet dates:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
0 – 90 days	1,016,067	1,740,770
91 – 180 days	717,130	699,835
Over 180 days	29,142	19,825
	<u>1,762,339</u>	<u>2,460,430</u>

All bills receivables of the Group are aged within 90 days at the balance sheet dates.

10. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

Included in trade and other payables are trade payables of HK\$389,502,000 (2007: HK\$467,771,000). The following is an aged analysis of trade payables at the balance sheet dates:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
0 – 90 days	299,958	413,504
91 – 180 days	59,123	33,669
Over 180 days	30,421	20,598
	<u>389,502</u>	<u>467,771</u>

All bills payable of the Group are aged within 90 days at the balance sheet dates.

BUSINESS REVIEW

On behalf of the Board of Directors, I am delighted to report to our shareholders that Kingboard Laminates Holdings Limited (“the Company”) and its subsidiaries (“the Group”) delivered resilient results for the financial year ended 31 December 2008 amid adverse business conditions in the second half of 2008. The Group chalked up modest growth in both revenue and net profit for the first half of 2008 on the back of stable business. However, the sudden downturn in the world economy posted a severe impact on the entire supply chain of the global technology sector towards the end of 2008. The Group experienced a fall in both revenue and net profit in the fourth quarter of 2008 (“Q4 2008”). In spite of this extremely tough operating environment, the Group stayed profitable for the full year of 2008 and our financial position remained robust. This clearly demonstrates that our business model with a flexible and effective cost structure has successfully buffered the Group against the cyclicity of the electronics industry.

Financial highlights

	FY2008	FY2007	Change
	<i>HK\$'million</i>	<i>HK\$'million</i>	
Revenue	10,127.8	10,426.8	-3%
Profit before tax*	1,294.3	2,054.8	-37%
Net profit attributable to shareholders			
– Underlying net profit*	1,177.0	1,813.3	-35%
– Reported net profit	1,203.8	1,813.3	-34%
Basic earnings per share			
– Based on underlying net profit*	HK39.2 cents	HK60.4 cents	-35%
– Based on reported net profit	HK40.1 cents	HK60.4 cents	-34%
Full-year dividend per share	HK22.0 cents	HK30.0 cents	-27%
– Interim dividend per share	HK12.0 cents	HK10.0 cents	+20%
– Proposed final dividend per share	HK10.0 cents	HK20.0 cents	-50%
Dividend payout ratio	55%	50%	
Net asset value per share	HK\$2.42	HK\$2.25	+8%
Net gearing	12%	23%	

* Excluding the discount on acquisition of HK\$26.8 million

PERFORMANCE

The electronics industry was impacted badly in Q4 2008 by the snowball effect of the global credit crunch which affected all business sectors. In anticipation of shrinking demand, manufacturers in the electronics supply chain reacted by scaling down production and slashing inventories aggressively towards the year end. During the year under review, copper price remained highly volatile and fell more than 50% in Q4 2008 against its peak in July 2008. Lower average selling prices coupled with reduced shipments in Q4 2008 posed pressure on the profit margin. As a result, consolidated revenue of the Group declined 3% to HK\$10,127.8 million. Underlying earnings before interest and tax (“EBIT”) decreased 37% to HK\$1,410.4 million (excluding one-off non-cash exceptional item*) over the previous year. Volume sales dropped around 6% with average monthly shipment reaching 7.2 million square meters. However, our resilient performance clearly indicated that we have outperformed our peers during this down cycle.

Distribution costs increased 5% as new production capacity for upstream materials came on stream in the first half of 2008. Administrative expenses increased marginally by 1% against that of previous year. Finance costs decreased to HK\$116.1 million mainly attributable to lower interest rates on bank borrowings.

LIQUIDITY AND CAPITAL RESOURCES

Our consolidated financial and liquidity position continued to be solid. As at 31 December 2008, net current assets and current ratio of the Group were approximately HK\$4,004.0 million (31 December 2007 – 4,538.7 million) and 2.61 (31 December 2007 – 2.92), respectively.

The net working capital cycle reduced to 113 days as at 31 December 2008 from 121 days as at 31 December 2007 on the following key metrics:

- Inventories, in terms of stock turnover days, slightly increased to 75 days (31 December 2007 – 72 days)
- Trade receivables including amounts due from fellow subsidiaries, in terms of debtors turnover days, greatly reduced to 70 days (31 December 2007 – 100 days), as a result of decrease in sales revenue in Q4 2008.
- Trade and bills payables including amounts due to fellow subsidiaries, in terms of creditors turnover days, significantly decreased to 32 days (31 December 2007 – 51 days) in line with reduction in purchase volume

The Group's net gearing ratio (ratio of interest bearing borrowings net of cash and cash equivalents to total equity) was greatly reduced to 12% (31 December 2007 – 23%) as a result of positive operating cash inflow and lower working capital requirement. In 2008, the Group invested HK\$1,076 million in new production capacity and made deposits of HK\$78 million for properties, plant and equipment. The proportion of bank borrowings between short term and long term stood at 34%:66% (31 December 2007: 20%:80%). As at 31 December 2008, the Group had committed and undrawn bank loan facilities and cash on hand of HK\$700 million and HK\$2.2 billion respectively. Hence, the Group is in a strong financial position to capitalise on any opportunities arising from the current downturn. Less than 1% of the bank borrowings was denominated in Renminbi and the rest in Hong Kong or US dollars.

The Group continued to adopt a prudent financial management policy including the use of interest rate swap contract to minimise its exposure to fluctuation in interest rates movement. At the end of 2008, we had entered into interest rate swap agreements of notional amount of HK\$2.0 billion with reputable financial institutions for a weighted average duration of 1.4 years and interest rate of 2.78%. The Group also entered into commodity and foreign currency forward contracts to manage the Group's exposure to fluctuation in exchange rates and commodities prices. The fair value of these contracts amounted to HK\$2.8 million as at 31 December 2008. Other than derivative financial instruments in connection with our daily operations as mentioned above, the Group had not entered into any other type of derivative financial instruments throughout 2008. There was no material foreign exchange exposure to the Group during the year under review. The Group's revenue, mostly denominated in Hong Kong dollars, Renminbi and US dollars, was fairly matched with the currency requirement of operating expenses.

HUMAN RESOURCES

As at 31 December 2008, the Group had a workforce of over 8,000 (31 December 2007: 8,600). The decrease in headcount was in line with reduction in manufacturing output in Q4 2008. In addition to offering competitive salary package, the Group grants discretionary bonuses to eligible employees based on our overall financial achievement and their individual performance.

PROSPECTS

Although the global electronics industry faces significant challenges in 2009, our business outlook remains positive in the long term. As a key manufacturer for laminate products in China, we shall benefit from the enormous growth potential of this emerging market. A series of economic stimulus measures introduced by the Chinese government recently, in particular, the subsidy policy for electronic products purchase in the rural area is likely to have a positive effect on the growth prospects for the Group. Given our robust balance sheet, strategic focus on producing mass demand laminates and dedicated management team with excellent track record, we believe that the Group will surmount current challenges and emerge from this downturn as an even stronger player.

The Group experienced an uptrend in demand in February 2009. As a result, all laminate plants operated at higher utilisation rates in February 2009 as compared to January 2009. In addition, reduced raw material costs in Q1 2009 is expected to ease margin pressure as compared to that experienced in Q4 2008.

Shrinking end customer demand together with intense competition will drive weaker players to cut production capacities or exit the market altogether. Further industrial consolidation is expected in the next few quarters. With our unrivaled position in the laminate industry, the Group is well poised to benefit from the consolidation. Whilst we have no imminent intention to expand capacity, we will continue to invest in high end laminate production capabilities, including thin and high performance laminate, to further enhance our competitive advantage.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers, banks, the management and employees for their unreserved support to the Group in the past financial year.

FINAL DIVIDEND

The Directors have resolved to recommend a final dividend of HK10 cents per ordinary share for the financial year ended 31 December 2008 to be payable on or around 26 May 2009 to the Company's shareholders whose names appear on the register of members of the Company on 21 May 2009 subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 19 May 2009 to Thursday, 21 May 2009 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the final dividend, shareholders are reminded to ensure that all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Monday, 18 May 2009.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2008, save for the deviation that the independent non-executive Directors are not appointed for specific terms pursuant to paragraph A.4.1 of the Code. Notwithstanding the aforesaid deviation, all the Directors (including the independent non-executive Directors) are subject to retirement by rotation and re-election at the Company's annual general meeting in compliance with the Company's Articles of Association. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made a specific enquiry, each Director has confirmed he or she has complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the year ended 2008.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited annual financial statements of the Group for the year ended 31 December 2008.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 December 2008 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By Order of the Board
Kingboard Laminates Holdings Limited
Cheung Kwok Wa
Chairman

Hong Kong, 27 March 2009

As at the date of this announcement, the Board 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.