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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)

INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2018	2017	
	<i>HK\$'million</i>	<i>HK\$'million</i>	
Revenue	9,601.3	9,035.5	+6%
EBITDA	2,536.4	2,826.6	-10%
Profit before tax	2,183.4	2,505.7	-13%
Net profit attributable to owners of the Company	1,778.6	2,009.0	-11%
Earnings per share	HK57.7 cents	HK65.2 cents	-11%
Interim dividend per share	HK17.5 cents	HK32.6 cents	-46%
Net asset value per share	HK\$5.62	HK\$5.23	+7%
	Net gearing 6%	Net cash 1,363.4	

The board of directors (the “Board”) of Kingboard Laminates Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2018 together with the comparative figures for the corresponding period in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Six months ended 30 June	
		2018	2017
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	3	9,601,347	9,035,509
Cost of sales		<u>(6,971,555)</u>	<u>(6,171,087)</u>
Gross profit		2,629,792	2,864,422
Other income, gains and losses	5	101,608	53,329
Distribution costs		(181,480)	(170,040)
Administrative costs		(326,881)	(308,632)
Gain on disposal of available-for-sale investments		–	98,011
Loss on equity instruments at fair value through profit or loss		(6,669)	–
Finance costs	6	<u>(33,001)</u>	<u>(31,376)</u>
Profit before taxation		2,183,369	2,505,714
Income tax expense	8	<u>(400,179)</u>	<u>(493,294)</u>
Profit for the period		<u>1,783,190</u>	<u>2,012,420</u>
Profit for the period attributable to:			
Owners of the Company		1,778,610	2,008,981
Non-controlling interests		<u>4,580</u>	<u>3,439</u>
		<u>1,783,190</u>	<u>2,012,420</u>
Earnings per share – Basic and diluted	10	<u>HK\$0.577</u>	<u>HK\$0.652</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit for the period	<u>1,783,190</u>	<u>2,012,420</u>
Other comprehensive (expense) income for the period:		
<i>Item that will not be reclassified to profit or loss:</i>		
Translation reserve:		
Exchange differences arising from translation to presentation currency	(207,128)	422,381
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Investment revaluation reserve:		
Net changes arising from available-for-sale investments	–	61,229
Fair value loss on debt instruments measured at fair value through other comprehensive income	<u>(230,120)</u>	<u>–</u>
Other comprehensive (expense) income for the period (net of tax)	<u>(437,248)</u>	<u>483,610</u>
Total comprehensive income for the period	<u><u>1,345,942</u></u>	<u><u>2,496,030</u></u>
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	1,394,268	2,486,958
Non-controlling interests	<u>(48,326)</u>	<u>9,072</u>
	<u><u>1,345,942</u></u>	<u><u>2,496,030</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2018	31 December 2017
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Investment properties		1,342,974	1,344,937
Properties, plant and equipment	<i>11</i>	4,990,109	4,830,663
Prepaid lease payments		473,892	426,457
Available-for-sale investments		–	2,506,043
Equity instruments at fair value through profit or loss		237,990	–
Equity instruments at fair value through other comprehensive income		8,124	–
Debt instruments at fair value through other comprehensive income		2,173,109	–
Deposits paid for acquisition of properties, plant and equipment		207,634	137,868
Other non-current assets		685,318	691,213
Deferred tax assets		3,530	2,882
Goodwill		238	238
		10,122,918	9,940,301
Current assets			
Inventories		1,375,513	953,483
Trade and other receivables and prepayments	<i>12</i>	4,983,483	4,775,798
Bills receivables	<i>12</i>	2,969,795	3,150,609
Properties held for development		4,204,645	4,030,974
Available-for-sale investments		–	778,986
Debt instruments at fair value through other comprehensive income		772,200	–
Prepaid lease payments		10,731	10,291
Amounts due from fellow subsidiaries		605,015	439,356
Taxation recoverable		7,184	7,185
Bank balances and cash		5,143,770	4,464,240
		20,072,336	18,610,922

		30 June 2018	31 December 2017
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Current liabilities			
Trade and other payables	<i>13</i>	2,494,386	2,732,847
Bills payables	<i>13</i>	247,837	460,016
Contract liabilities		3,015,726	–
Deposits received from pre-sale of residential units		–	3,372,565
Amounts due to fellow subsidiaries		48,724	46,276
Taxation payable		473,121	461,639
Bank borrowings – amount due within one year		681,367	402,110
		<u>6,961,161</u>	<u>7,475,453</u>
Net current assets		<u>13,111,175</u>	<u>11,135,469</u>
Total assets less current liabilities		<u>23,234,093</u>	<u>21,075,770</u>
Non-current liabilities			
Deferred tax liabilities		86,097	88,836
Bank borrowings – amount due after one year		5,538,462	3,000,000
		<u>5,624,559</u>	<u>3,088,836</u>
		<u>17,609,534</u>	<u>17,986,934</u>
Capital and reserves			
Share capital		308,100	308,100
Reserves		17,000,597	17,161,859
Equity attributable to owners of the Company		<u>17,308,697</u>	<u>17,469,959</u>
Non-controlling interests		300,837	516,975
Total equity		<u>17,609,534</u>	<u>17,986,934</u>

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2017.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA that are mandatorily effective for annual period beginning on or after 1 January 2018 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in change in accounting policies, amounts reported and/or disclosures.

3. REVENUE

Revenue represents the amounts received and receivable by the Group from the sales of goods, provision of drilling services, sales of properties, income from property investment and licence fee income provided to outside customers, net of discounts, returns and sales related taxes. Analysis of revenue for the period is as follows:

	Six months ended 30 June	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Sales of glass epoxy laminates	5,821,702	4,859,647
Sales of paper laminates	1,171,466	926,600
Sales of upstream materials	1,224,603	921,987
Sales of properties	577,633	1,614,626
Income from property investment	60,913	57,227
Others	745,030	655,422
	<u>9,601,347</u>	<u>9,035,509</u>

4. SEGMENT INFORMATION

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”) in order to allocate resources to segments and to assess their performance. Specifically, the Group’s operating and reportable segments under HKFRS 8 were organised into two main operating divisions – (i) manufacturing and sales of laminates and (ii) properties. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Under HKFRS 8, segment information is based on internal management reporting information that is regularly reviewed by the executive directors, being the CODM of the Group. The measurement policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements. The CODM assess segment profit or loss using a measure of operating profit whereby certain items are not included in arriving at the segment results of the operating segments (gain on disposal of available-for-sale investments, loss on equity instruments at fair value through profit or loss, unallocated corporate income and expenses and finance costs).

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

Six months ended 30 June 2018	Laminates <i>HK\$'000</i> (Unaudited)	Properties <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue	8,962,801	638,546	9,601,347
Segment results	1,852,545	309,009	2,161,554
Loss on equity instruments at fair value through profit or loss			(6,669)
Unallocated corporate income			101,608
Unallocated corporate expenses			(40,123)
Finance costs			(33,001)
Profit before taxation			2,183,369
Six months ended 30 June 2017	Laminates <i>HK\$'000</i> (Unaudited)	Properties <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue	7,363,656	1,671,853	9,035,509
Segment results	2,024,823	437,900	2,462,723
Gain on disposal of available-for-sale investments			98,011
Unallocated corporate income			53,329
Unallocated corporate expenses			(76,973)
Finance costs			(31,376)
Profit before taxation			2,505,714

For the six months ended 30 June 2018, revenue from one of the Group's customers amounted to HK\$1,039,967,000 (six months ended 30 June 2017: HK\$941,606,000), which individually accounted for over 10% of the Group's revenue for the period.

5. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Other income, gains and losses include:		
Dividend income from available-for-sale investments	–	251
Dividend income from equity instruments at fair value through profit or loss	2,387	–
Interest income from available-for-sale investments	–	38,747
Interest income from debt instruments at fair value through other comprehensive income	80,545	–
Other interest income	10,891	9,756
	<u>10,891</u>	<u>9,756</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Interest on bank borrowings	38,257	36,140
Less: Amounts capitalised in the construction in progress	<u>(5,256)</u>	<u>(4,764)</u>
	<u>33,001</u>	<u>31,376</u>

The weighted average capitalisation rate on funds borrowed generally is 2.2% per annum (six months ended 30 June 2017: 2.2% per annum).

7. DEPRECIATION

During the period, depreciation of approximately HK\$315.0 million (six months ended 30 June 2017: HK\$284.1 million) was charged in respect of the Group's properties, plant and equipment.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
The amount comprises:		
Hong Kong Profits Tax	846	1,850
Taxation arising in other jurisdiction	402,072	491,905
	<hr/>	<hr/>
	402,918	493,755
Deferred taxation		
Credit for the period	(2,739)	(461)
	<hr/>	<hr/>
	400,179	493,294
	<hr/>	<hr/>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

9. DIVIDENDS

The directors of the Company (the "Directors") have resolved to declare an interim dividend for the six months ended 30 June 2018 of HK17.5 cents (six month ended 30 June 2017: HK32.6 cents) per share to the shareholders whose names appear on the register of members of the Company on Wednesday, 31 October 2018. The dividend warrants will be dispatched on or around Thursday, 6 December 2018.

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2018	2017
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Profit for the period attributable to owners of the Company	1,778,610	2,008,981
	<hr/>	<hr/>
	Number of shares	
	30 June 2018	30 June 2017
Number of ordinary shares for the purpose of calculating basic earnings per share	3,081,000,000	3,081,000,000
	<hr/>	<hr/>

No diluted earnings per share was presented as there were no potential ordinary shares in issue for the six months ended 30 June 2018 and six months ended 30 June 2017.

11. ADDITIONS TO PROPERTIES, PLANT AND EQUIPMENT

During the reporting period, the Group spent approximately HK\$536.6 million (six months ended 30 June 2017: HK\$531.5 million) on acquisition of properties, plant and equipment.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS AND BILLS RECEIVABLES

	30 June 2018	31 December 2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables	4,198,141	4,034,814
Advance to suppliers	354,713	339,333
Interest income receivables	34,979	33,243
Prepaid expenses and deposits	257,623	241,533
Value-added tax ("VAT") recoverable	97,754	86,810
Land appreciation tax on pre-sale properties	8,814	7,035
Other receivables	31,459	33,030
	<hr/>	<hr/>
	4,983,483	4,775,798
Bills receivables	2,969,795	3,150,609
	<hr/>	<hr/>
	7,953,278	7,926,407
	<hr/>	<hr/>

The Group allows credit periods of up to 120 days (31 December 2017: 120 days), depending on the products sold to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts based on invoice date at the end of the reporting period:

	30 June 2018	31 December 2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
0 – 90 days	3,139,720	3,010,539
91 – 180 days	1,004,536	968,249
Over 180 days	53,885	56,026
	<hr/>	<hr/>
	4,198,141	4,034,814
	<hr/>	<hr/>

Bills receivables of the Group are based on age of 0 – 90 days since invoice date (31 December 2017: 0 – 90 days) at the end of the reporting period.

13. TRADE AND OTHER PAYABLES AND BILLS PAYABLES

	30 June 2018 <i>HK\$'000</i> (Unaudited)	31 December 2017 <i>HK\$'000</i> (Audited)
Trade payables	914,630	1,081,601
Accrued expenses	336,477	367,892
Payables for acquisition of properties, plant and equipment	79,948	150,880
Receipts in advance	131,120	153,634
Other tax payables	689,540	675,426
VAT payables	265,634	240,026
Other payables	77,037	63,388
	<hr/>	<hr/>
	2,494,386	2,732,847
Bills payables	247,837	460,016
	<hr/>	<hr/>
	2,742,223	3,192,863
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The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	30 June 2018 <i>HK\$'000</i> (Unaudited)	31 December 2017 <i>HK\$'000</i> (Audited)
0 – 90 days	816,869	935,237
91 – 180 days	66,658	114,424
Over 180 days	31,103	31,940
	<hr/>	<hr/>
	914,630	1,081,601
	<hr/>	<hr/>

Bills payables of the Group are aged within 90 days (31 December 2017: 90 days) at the end of the reporting period.

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”) achieved satisfactory results for the six months ended 30 June 2018 (the “Period”). According to the latest report by Prismark Partners LLC (independent third-party consultant), the Group has been ranked as the world’s top laminates producer for the thirteenth consecutive year, with a global market share of 14%. Growth in the electronics sector moderated slightly as a result of the Sino-US trade war, but laminates demand continued to demonstrate strong momentum driven by automobile electronics and light-emitting diode (“LED”) products. During the period, capacity optimisation of the laminates facilities in Jiangmen, Guangdong Province has been completed and helped raise its monthly output by 120,000 square metres. New glass yarn and glass fabric capacities have also been fully commissioned, recording strong external sales. These new capacities also ensured adequate in-house supply in support of an expanded production scale for glass epoxy laminates (“FR4”). Faced with relatively competitive market condition, the Group’s advantage based on its vertically integrated production model has become even more evident, and has provided a strong driver for business growth.

The Group’s revenue amounted to HK\$9,601.3 million, an increase of 6% compared to the same period last year. Net profit attributable to owners of the Company dropped by 11% to HK\$1,778.6 million owing to cost inflation throughout the Period. The Board has resolved to recommend the payment of an interim dividend of HK17.5 cents per share.

Financial Highlights

	Six months ended 30 June		Change
	2018	2017	
	HK\$'million	HK\$'million	
Revenue	9,601.3	9,035.5	+6%
EBITDA	2,536.4	2,826.6	-10%
Profit before tax	2,183.4	2,505.7	-13%
Net profit attributable to owners of the Company	1,778.6	2,009.0	-11%
Earnings per share	HK57.7 cents	HK65.2 cents	-11%
Interim dividend per share	HK17.5 cents	HK32.6 cents	-46%
Net asset value per share	HK\$5.62	HK\$5.23	+7%
	Net gearing 6%	Net cash 1,363.4	

PERFORMANCE

Both paper laminates and FR4 recorded output growth during the Period, bringing overall monthly shipments up by 5% to 9.56 million square metres. Turnover of the laminates division increased 22% to HK\$8,962.8 million. However, the increase in the selling price of laminates was not able to fully offset the cost inflation of raw materials. The division's earnings before interest, tax, depreciation and amortisation ("EBITDA") therefore declined by 6% to HK\$2,232.5 million.

The property division recorded partial booking of sales of Kunshan Development Zone Kingboard Yu Garden Phase 2, Huaqiao Kingboard Yu Garden Phase 4, and Jiangyin Kingboard Yu Garden. As the development of the property projects moves to completion consecutively, and with no further addition to the land bank, segment turnover declined by 62% to HK\$638.5 million. EBITDA decreased 32% subsequently to HK\$303.9 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group's consolidated financial and liquidity position remained robust. As at 30 June 2018, net current assets and current ratio of the Group were approximately HK\$13,111.2 million (31 December 2017: HK\$11,135.5 million) and 2.88 (31 December 2017: 2.49) respectively.

The net working capital cycle increased to 96 days as at 30 June 2018 from 75 days as at 31 December 2017, on the following key metrics:

- Inventories, in terms of stock turnover days, was 36 days (31 December 2017: 27 days).
- Trade receivables, including amounts due from fellow subsidiaries, in terms of debtor turnover days, was 91 days (31 December 2017: 90 days).
- Trade and bills payables (excluding bills payables to properties, plant and equipment), including amounts due to fellow subsidiaries, in terms of creditor turnover days, was 31 days (31 December 2017: 42 days).

The Group's net gearing ratio was 6% (31 December 2017: net cash of HK\$1,062.1 million). The ratio of bank borrowings between short term and long term stood at 11%:89% (31 December 2017: 12%:88%).

The Group continued to adopt a prudent financial management policy. The Group did not enter into any derivative financial instrument, nor did the Group have any material foreign exchange exposure during the Period. The Group's revenue, mostly denominated in Hong Kong dollars, RMB and US dollars, was fairly matched with the currency requirements of its operating expenses.

HUMAN RESOURCES

As at 30 June 2018, the Group had approximately 10,200 (31 December 2017: 9,900) employees. In addition to offering competitive salary packages, the Group grants share options and discretionary bonuses to eligible employees based on the Group's overall financial achievements and employees' individual performance.

PROSPECTS

As the peak season in the second half of the year arrives, the Group has begun to adjust its product prices upward. It is anticipated that there will be further room for increases in the selling prices. The Group's new laminates facilities in Thailand will be commissioned in the second half of the year, adding a monthly capacity of 360,000 square metres of laminates to the Group's output. This additional output will be designated mainly for overseas sales. The Group will focus on the expansion of high-value-added thin, halogen-free and high-temperature resistant laminates, and will step up efforts to upgrade its product portfolio in order to stay relevant to market demand changes. The Group looks forward to maintaining growth momentum through these market-driven developments.

The residential projects in Kunshan, Jiangsu Province will be launched for sale as planned, with related work progressing smoothly. The Group currently does not intend to increase its land bank. With the subsequent decrease in construction expenses, the property division will continue to generate net cash inflow.

APPRECIATION

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 30 October 2018 to Wednesday, 31 October 2018 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for receiving an interim dividend, the Company's shareholders are reminded to ensure all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Monday, 29 October 2018.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2018, 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 unaudited interim financial statements of the Group for the six months ended 30 June 2018.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has been in compliance with the relevant provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “CG Code”) throughout the six-month period ended 30 June 2018, save for the deviation from code A.4.1 of the CG Code, since the independent non-executive Directors are not appointed for specific terms. Notwithstanding the aforesaid deviation, all the Directors (including the non-executive Director and independent non-executive Directors) are subject to retirement by rotation and re-election at the Company’s annual general meeting, in accordance with the Company’s Articles of Association. As such, the Company considers that steps have been taken with a view to ensure that the Company’s corporate governance practices are in line with the CG Code.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”). Having made specific enquiry of all Directors, each Director has confirmed that he or she has complied with the required standards as set out in the Model Code and the code of conduct regarding Director’s securities transactions adopted by the Company throughout the six-month period ended 30 June 2018.

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

Hong Kong, 24 August 2018

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, Liu Min and Zhou Pei Feng, being the executive Directors, Mr. Lo Ka Leong, being the non-executive Director, and Messrs. Leung Tai Chiu, Ip Shu Kwan, Stephen, Zhang Lu Fu and Lau Ping Cheung, Kaizer, being the independent non-executive Directors.