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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
	2015 HK\$'million	2014 HK\$'million	
Revenue	6,559.7	6,432.3	+2%
EBITDA	1,218.0	1,111.3	+10%
Profit before tax	777.8	689.8	+13%
Net profit attributable to owners of the Company	621.1	591.1	+5%
Earnings per share	HK20.7 cents	HK19.7 cents	+5%
Interim dividend per share	HK6.4 cents	HK6.0 cents	+7%
Dividend payout ratio	31%	30%	
Net asset value per share	HK\$4.57	HK\$4.35	+5%
Net gearing	20%	22%	

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 2015 together with the comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2015	2014
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	3	6,559,700	6,432,286
Cost of sales		(5,419,014)	(5,395,751)
Gross profit		1,140,686	1,036,535
Other income, gains and losses	5	67,168	81,588
Distribution costs		(149,194)	(142,334)
Administrative costs		(250,282)	(233,811)
Share-based payments		–	(2,129)
Gain on disposal of available-for-sale investments		22,857	493
Finance costs	6	(53,393)	(50,565)
Profit before taxation		777,842	689,777
Income tax expense	8	(151,848)	(95,211)
Profit for the period		625,994	594,566
Profit for the period attributable to:			
Owners of the Company		621,100	591,066
Non-controlling interests		4,894	3,500
		625,994	594,566
Earnings per share – Basic and diluted	10	HK\$0.207	HK\$0.197

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	625,994	594,566
Other comprehensive income (expenses) 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	20,760	(122,312)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Investment revaluation reserve:		
Fair value changes of available-for-sale investments	87,353	(196)
Reclassification adjustment relating to disposal of available-for-sale investments	(22,857)	(493)
	64,496	(689)
Other comprehensive income (expenses) for the period	85,256	(123,001)
Total comprehensive income for the period	711,250	471,565
Total comprehensive income for the period attributable to:		
Owners of the Company	704,827	475,330
Non-controlling interests	6,423	(3,765)
	711,250	471,565

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2015	31 December 2014
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Investment properties		1,341,324	1,268,646
Properties, plant and equipment	<i>11</i>	5,211,151	5,496,837
Prepaid lease payments		449,555	450,869
Available-for-sale investments		1,820,522	1,588,646
Non-current deposits		13,986	68,597
Other non-current assets		732,671	732,430
Deferred tax assets		3,760	3,913
Goodwill		238	238
		<hr/> 9,573,207	<hr/> 9,610,176
Current assets			
Inventories		1,480,145	1,463,633
Trade and other receivables and prepayments	<i>12</i>	4,631,937	4,554,430
Bills receivables	<i>12</i>	1,116,003	972,739
Properties held for development		4,440,904	3,757,111
Prepaid lease payments		10,235	10,581
Amounts due from fellow subsidiaries		212,036	99,257
Taxation recoverable		7,063	7,063
Bank balances and cash		2,549,960	2,447,596
		<hr/> 14,448,283	<hr/> 13,312,410
Current liabilities			
Trade and other payables	<i>13</i>	1,642,423	1,690,572
Bills payables	<i>13</i>	239,911	329,021
Deposits received from pre-sale of residential units		1,340,648	1,030,577
Amounts due to fellow subsidiaries		40,796	40,116
Taxation payable		316,377	299,610
Derivative financial instruments		4,701	6,779
Bank borrowings – amount due within one year		827,092	2,802,287
		<hr/> 4,411,948	<hr/> 6,198,962
Net current assets		<hr/> 10,036,335	<hr/> 7,113,448
Total assets less current liabilities		<hr/> 19,609,542	<hr/> 16,723,624

	30 June 2015 <i>HK\$'000</i> (Unaudited)	31 December 2014 <i>HK\$'000</i> (Audited)
Non-current liabilities		
Deferred tax liabilities	98,857	98,008
Bank borrowings – amount due after one year	<u>4,739,960</u>	<u>2,231,956</u>
	<u>4,838,817</u>	<u>2,329,964</u>
	<u>14,770,725</u>	<u>14,393,660</u>
Capital and reserves		
Share capital	300,000	300,000
Reserves	<u>13,409,263</u>	<u>12,999,975</u>
Equity attributable to owners of the Company	13,709,263	13,299,975
Non-controlling interests	<u>1,061,462</u>	<u>1,093,685</u>
Total equity	<u>14,770,725</u>	<u>14,393,660</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 on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA that are mandatorily effective for the current interim period.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Revenue represents the amounts received and receivable by the Group from the sales of goods, provision of drilling services, 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	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Sales of glass epoxy laminates	4,274,862	3,946,095
Sales of paper laminates	1,003,763	1,212,774
Sales of upstream materials	741,321	782,331
Others	481,639	423,448
Income from property investment	58,115	67,638
	<u>6,559,700</u>	<u>6,432,286</u>

Sales of laminates include glass epoxy laminates and paper laminates manufactured according to specifications required by customers. Sales of upstream materials include sales of copper foil, epoxy resin, glass fabric and bleached kraft paper. Others comprise drilling services, which involve the drilling of holes into the laminates required by customers, sales of specialty resin and other materials and licence fee income. Income from property investment includes rental income from leasing of investment properties, income from hotel accommodation and income from food and beverage and other ancillary services of the hotel operation.

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 organized into two main operating divisions – (i) manufacturing and sale 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, share-based payments, 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 2015	Laminates <i>HK\$'000</i> (Unaudited)	Properties <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue	<u>6,501,585</u>	<u>58,115</u>	<u>6,559,700</u>
Segment results	<u>801,800</u>	<u>8,075</u>	809,875
Gain on disposal of available-for-sale investments			22,857
Unallocated corporate income			59,648
Unallocated corporate expenses			(61,145)
Finance costs			<u>(53,393)</u>
Profit before taxation			<u>777,842</u>
Six months ended 30 June 2014	Laminates <i>HK\$'000</i> (Unaudited)	Properties <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue	<u>6,364,648</u>	<u>67,638</u>	<u>6,432,286</u>
Segment results	<u>704,135</u>	<u>16,582</u>	720,717
Gain on disposal of available-for-sale investments			493
Share-based payments			(2,129)
Unallocated corporate income			75,274
Unallocated corporate expenses			(54,013)
Finance costs			<u>(50,565)</u>
Profit before taxation			<u>689,777</u>

Revenue from one of the Group's customers amounted to HK\$809,533,000 (six months ended 30 June 2014: HK\$818,149,000), 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	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Other income, gains and losses include:		
Dividend income from available-for-sale investments	9,614	10,870
Interest income from available-for-sale investments	49,907	62,394
Other interest income	<u>5,249</u>	<u>3,597</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on bank borrowings		
– wholly repayable within five years	54,466	53,249
– not wholly repayable within five years	898	998
	<hr/>	<hr/>
	55,364	54,247
Less: Amounts capitalised in the construction in progress	(1,971)	(3,682)
	<hr/>	<hr/>
	53,393	50,565
	<hr/>	<hr/>

The weighted average capitalisation rate on funds borrowed generally is 1.9% per annum (six months ended 30 June 2014: 2% per annum).

7. DEPRECIATION

During the period, depreciation of approximately HK\$382.5 million (six months ended 30 June 2014: HK\$366.7 million) was charged in respect of the Group's properties, plant and equipment.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
The amount comprises:		
Hong Kong Profits Tax	5,389	4,676
PRC Enterprise Income Tax	145,370	90,042
Taxation arising in other jurisdiction	937	–
	<hr/>	<hr/>
	151,696	94,718
Deferred taxation		
Charge for the period	152	493
	<hr/>	<hr/>
	151,848	95,211
	<hr/>	<hr/>

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

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. INTERIM DIVIDEND

The directors of the Company (the “Directors”) have resolved to declare an interim dividend for the six months ended 30 June 2015 of HK6.4 cents (six months ended 30 June 2014: HK6 cents) per share to the shareholders whose names appear on the register of members of the Company on Wednesday, 23 September 2015. The dividend warrants will be dispatched on or around Thursday, 15 October 2015.

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	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	621,100	591,066
	Number of shares	
	30 June 2015	30 June 2014
Number of ordinary shares for the purpose of calculating basic earnings per share	3,000,000,000	3,000,000,000

The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price of shares for the six months ended 30 June 2015 and 2014.

11. ADDITIONS TO PROPERTIES, PLANT AND EQUIPMENT

During the reporting period, the Group spent approximately HK\$111.6 million (six months ended 30 June 2014: HK\$422.1 million) on acquisition of properties, plant and equipment.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS AND BILLS RECEIVABLES

	30 June	31 December
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables	3,558,340	3,570,113
Advance to suppliers	478,163	278,513
Interest income receivables	33,098	27,694
Prepaid expenses and deposits	295,367	286,940
Value-added tax (“VAT”) recoverable	168,454	307,305
Land appreciation tax on pre-sale properties	5,525	2,005
Other receivables	92,990	81,860
	4,631,937	4,554,430
Bills receivables	1,116,003	972,739
	5,747,940	5,527,169

The Group allows credit periods of up to 120 days (31 December 2014: 120 days), depending on the products sold to its trade customers.

The following is an aged analysis of trade receivables based on invoice date at the end of the reporting period, which approximated the respective revenue recognition date:

	30 June 2015	31 December 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
0–90 days	2,447,670	2,422,494
91–180 days	1,051,735	1,088,772
Over 180 days	58,935	58,847
	<u>3,558,340</u>	<u>3,570,113</u>

Bills receivables of the Group are aged within 90 days (31 December 2014: 90 days) at the end of the reporting period.

13. TRADE AND OTHER PAYABLES AND BILLS PAYABLES

	30 June 2015	31 December 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade payables	746,251	817,642
Accrued expenses	239,373	201,607
Payables for acquisition of properties, plant and equipment	173,505	59,954
Receipts in advance	180,883	289,030
Other tax payables	50,938	114,693
VAT payables	164,907	132,406
Other payables (Note)	86,566	75,240
	<u>1,642,423</u>	<u>1,690,572</u>
Bills payables	239,911	329,021
	<u>1,882,334</u>	<u>2,019,593</u>

Note: Included in other payables as at 30 June 2015 is the consideration payable of HK\$20,173,000 (31 December 2014: HK\$8,559,000) to independent third parties for additional interest in a non-wholly owned subsidiary. The amount is repayable in the second half of 2015.

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	30 June 2015	31 December 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
0–90 days	651,525	735,294
91–180 days	53,256	47,704
Over 180 days	41,470	34,644
	<u>746,251</u>	<u>817,642</u>

Bills payables of the Group are aged within 90 days (31 December 2014: 90 days) at the end of the reporting period.

BUSINESS REVIEW

On behalf of the Board, I am delighted to report to our shareholders that Kingboard Laminates Holdings Limited (“the Company”) and its subsidiaries (“the Group”) delivered satisfactory results for the six months ended 30 June 2015 (the “Period”). The Group has remained the leader in the global laminates market for ten consecutive years, commanding a worldwide market share of 13.5% in 2014 according to the latest reports of Prismark Partners LLC. Growth during the Period was mainly led by the steady growth of the global electronics market, as well as the expedited intelligent and electronic development of the appliance and automotive sectors. The Group’s management team implemented a market-driven expansion of the production capacity of high-performance laminates during the Period. As a result, Group revenue increased 2% year on year to HK\$6,559.7 million. As the new capacity in the laminates sector has declined, the problem of over-capacity in the laminates market has gradually been relieved. The Group’s profit margin was consequently improved and net profit attributable to owners of the Company rose 5% year on year to HK\$621.1 million. The Board resolved to declare an interim dividend of HK6.4 cents per share, increased by 7%.

Financial Highlights

	Six months ended 30 June		Change
	2015 <i>HK\$’million</i>	2014 <i>HK\$’million</i>	
Revenue	6,559.7	6,432.3	+2%
EBITDA	1,218.0	1,111.3	+10%
Profit before tax	777.8	689.8	+13%
Net profit attributable to owners of the Company	621.1	591.1	+5%
Earnings per share	HK20.7 cents	HK19.7 cents	+5%
Interim dividend per share	HK6.4 cents	HK6.0 cents	+7%
Dividend payout ratio	31%	30%	
Net asset value per share	HK\$4.57	HK\$4.35	+5%
Net gearing	20%	22%	

PERFORMANCE

Growth of mobile phones and other portable gadgets eased off slightly during the Period, but the market for high-performance laminates has demonstrated strong growth driven by innovations in the functions of telecommunications networks, growth of cloud storage equipment, and the further proliferation of smart devices. This has resulted in a 5% growth in the Group’s overall laminates shipments during the first half, aggregating to average monthly shipments of 9.55 million square metres. Composite epoxy material (“CEM”) laminates and glass epoxy laminates (“FR4”) in aggregate contributed 65% of the Group’s turnover during the first half of 2015. Paper laminates sales represented 15% of total turnover, whereas the remainder was accounted for by sales of upstream materials and other products.

Prices of copper, the main material for laminates production, have been on the downtrend during the Period. However, owing to improving demand-supply conditions in the laminates market, the impact of material price declines on laminates' average selling price was reduced. Earnings before interest, tax, depreciation and amortisation ("EBITDA") therefore went up 10% year on year to HK\$1,218.0 million, while net profit also grew 5% to HK\$621.1 million. As shipments increased, distribution and administrative costs were 5% and 7% respectively higher than the same period last year. Finance costs increased 6% during the Period mainly as a result of higher average bank borrowings against same period last year.

LIQUIDITY AND CAPITAL RESOURCES

The Group's consolidated financial and liquidity position remained robust. As at 30 June 2015, net current assets and current ratio of the Group were approximately HK\$10,036.3 million (31 December 2014: HK\$7,113.4 million) and 3.27 (31 December 2014: 2.15) respectively.

The net working capital cycle increased to 119 days as at 30 June 2015 from 110 days as at 31 December 2014, on the following key metrics:

- Inventories, in terms of stock turnover days, increased to 49 days (31 December 2014: 47 days).
- Trade receivables, including amounts due from fellow subsidiaries, in terms of debtors turnover days, increased to 104 days (31 December 2014: 101 days).
- Trade and bills payables, including amounts due to fellow subsidiaries, in terms of creditors turnover days, were shortened to 34 days (31 December 2014: 38 days).

The Group's net gearing ratio (ratio of interest-bearing borrowings, net of cash and cash equivalents, to total equity) increased to 20% (31 December 2014: 18%). The ratio of bank borrowings between short term and long term stood at 15%:85% (31 December 2014: 56%:44%).

The Group continued to adopt a prudent financial management policy. It has entered into forward currency contracts in order to minimize the Group's foreign exchange exposure. As at 30 June 2015, such contracts had a fair value of HK\$4.7 million (31 December 2014: HK\$6.8 million). Other than the aforesaid instrument which was related to the Group's normal course of business, the Group did not enter into any other types of derivative financial instruments, 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 2015, the Group had a workforce of approximately 10,600 (31 December 2014: 10,400). 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

The second half of the year is the traditional peak season for electronic product sales. While the laminates market is on an upturn on the back of strong demand, the Group will commit further resources to enhancing facilities utilisation to stand prepared to capture market opportunities. We will also continue to expand the production of high-performance laminates. On the solid foundation of a vertically-integrated production set-up and with enhanced operating efficiency, the Group aims to deliver greater returns to shareholders.

The new PVB facilities in Qingyuan, Guangdong Province, went smoothly into operation with shipments consistently expanding. The Group's existing PVB products are used in automotive glass of various world-renowned brands, as well as curtain wall of some landmark buildings in southern and eastern China. The Group plans to expand the PVB business further, in line with demand growth.

The glass fabric plant in Longhua, Shenzhen, has been relocated to new premises in Qingyuan, Guangdong Province. Meanwhile, glass fabric capacities will be increased by 12% to 37 million metres per month. The site for the Shenzhen plant will be designated for renewal development, and be converted into a mixed-use property comprising residences, shops and offices. The project is wholly owned by the Group and is planned to commence construction during the year. Competitively located, the project will yield a gross floor area of approximately 350,000 square metres.

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 during the reporting period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 22 September 2015 to Wednesday, 23 September 2015 (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, 21 September 2015.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2015, 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 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, 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 “Code”) throughout the six months ended 30 June 2015, save for the deviation that the non-executive Director and independent non-executive Directors are not appointed for specific terms pursuant to Code A.4.1 of the Code. 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 meetings 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.

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”). Following a specific enquiry, each of the Directors 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 months ended 30 June 2015.

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

Hong Kong, 24 August 2015

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.