KINGBOARD COPPER FOIL HOLDINGS LIMITED
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2015

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 &Q3) HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of profit or loss (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3 Months ended		
	September 30, 2015 *HK$'000*	**September 30, 2014** *HK$'000*	**% Change**
Revenue	153,064	138,033	10.89%
Cost of sales	(135,083)	(120,360)	12.23%
Gross profit	17,981	17,673	1.74%
Other operating income	1,350	963	40.19%
Distribution costs	(5,219)	(3,496)	49.28%
Administrative expenses	(4,468)	(4,120)	8.45%
Finance costs	–	(200)	-100.00%
Share of losses of an associate	(2,723)	(2,878)	-5.39%
Profit before tax	6,921	7,942	-12.86%
Income tax expense	(2,480)	(2,722)	-8.89%
Profit for the period	4,441	5,220	-14.92%
Profit for the period attributable to:			
Owners of the Company	3,497	3,940	-11.24%
Non-controlling interests	944	1,280	-26.25%

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

	Group 3 Months ended		
	September 30, 2015	**September 30, 2014**	**% Change**
	HK$'000	*HK$'000*	
Other operating income including interest income	(1,350)	(963)	40.19%
Depreciation of property, plant and equipment	32,968	35,694	-7.64%
Amortisation of prepaid land use rights	270	270	0.00%

1(b)(i) A statements of financial position (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, 2015	**As at December 31, 2014**	**As at September 30, 2015**	**As at December 31, 2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Current assets:				
Cash and bank balances	1,375,060	1,329,754	–	–
Trade and other receivables and prepayments	101,479	80,952	166	166
Bills receivable	30,860	35,328	–	–
Prepaid land use rights	1,093	1,101	–	–
Inventories	37,158	34,901	–	–
Total current assets	1,545,650	1,482,036	166	166

	Group		Company	
	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets:				
Investment in subsidiaries	–	–	393,775	393,775
Investment in an associate	53,387	61,933	20,874	20,874
Due from a subsidiary	–	–	872,049	873,932
Investment property	6,193	6,444	–	–
Property, plant and equipment	547,429	653,664	–	–
Prepaid land use rights	36,987	41,668	–	–
Non-current deposits	5,180	5,390	–	–
Other non-current assets	703,928	732,430	–	–
Goodwill	238	238	–	–
Total non-current assets	1,353,342	1,501,767	1,286,698	1,288,581
Total assets	2,898,992	2,983,803	1,286,864	1,288,747
LIABILITIES AND EQUITY				
Current liabilities:				
Due to a subsidiary	–	–	2,721	2,721
Bank borrowing	–	6,338	–	–
Bills payable	1,720	4,908	–	–
Trade and other payables	79,875	78,662	2,776	2,776
Income tax payable	5,503	5,910	38	38
Total current liabilities	87,098	95,818	5,535	5,535
Capital and reserves and non-controlling interests:				
Share capital	560,200	560,200	560,200	560,200
Reserves	2,219,035	2,296,426	721,129	723,012
Equity attributable to owners of the Company	2,779,235	2,856,626	1,281,329	1,283,212
Non-controlling interests	32,659	31,359	–	–
Total equity	2,811,894	2,887,985	1,281,329	1,283,212
Total liabilities and equity	2,898,992	2,983,803	1,286,864	1,288,747

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

Amount repayable in one year or less, or on demand

As at September 30, 2015		As at December 31, 2014	
Secured	**Unsecured**	**Secured**	**Unsecured**
HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
–	–	–	6,338

Amount repayable after one year

As at September 30, 2015		As at December 31, 2014	
Secured	**Unsecured**	**Secured**	**Unsecured**
HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
–	–	–	–

Details of any collateral

Not applicable.

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

	3 Months ended	
	September 30, 2015	**September 30, 2014**
	HK$'000	*HK$'000*
Operating activities:		
Profit before tax	6,921	7,942
Adjustments for:		
Depreciation of property, plant and equipment	32,968	35,694
Amortisation of prepaid land use rights	270	270
Interest income	(487)	(478)
Interest expense	–	200
Share of losses of an associate	2,723	2,878

	3 Months ended	
	September 30, 2015	**September 30, 2014**
	HK$'000	*HK$'000*
Operating cash flow before movements in working capital	42,395	46,506
Trade and other receivables and prepayments	(13,666)	(7,395)
Bills receivable	21,585	(7,466)
Inventories	(903)	(1,801)
Trade and other payables	5,503	5,671
Bills payable	(1,293)	(991)
Cash generated from operations	53,621	34,524
Income tax paid	(1,969)	(2,537)
Interest received	487	478
Interest paid	–	(200)
Net cash from operating activities	52,139	32,265
Investing activities:		
Purchase of property, plant and equipment	(9,024)	–
Net cash used in investing activities	(9,024)	–
Financing activities:		
Repayment of bank borrowing	–	(6,299)
Net cash used in financing activities	–	(6,299)
Net increase in cash and bank balances	43,115	25,966
Cash and bank balances at the beginning of the period	1,371,123	1,222,723
Effect of exchange rate changes on the balance of cash and bank held in foreign currencies	(39,178)	914
Cash and bank balances at the end of the period	1,375,060	1,249,603

1(d) **A statement of profit or loss and other comprehensive income (for the issuer and the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group 3 Months ended		Company 3 Months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit (loss) for the period	4,441	5,220	(1,009)	(996)
Other comprehensive (expense) income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference arising on translation to foreign operations	(91,860)	3,702	–	–
Total comprehensive (expense) income for the period	(87,419)	8,922	(1,009)	(996)
Total comprehensive (expense) income attributable to:				
Owners of the Company	(87,048)	7,594	(1,009)	(996)
Non-controlling interests	(371)	1,328	–	–
	(87,419)	8,922	(1,009)	(996)

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company							
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Capital reserves** *HK$'000*	**Foreign currency translation reserves** *HK$'000*	**Retained profits** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
Group								
Third quarter 2015 ("Q3 2015")								
Balance at July 1, 2015	560,200	296,573	7,287	535,052	1,467,171	2,866,283	33,030	2,899,313
Total comprehensive expense for the period								
Profit for the period	–	–	–	–	3,497	3,497	944	4,441
Other comprehensive expense for the period	–	–	–	(90,545)	–	(90,545)	(1,315)	(91,860)
Total	–	–	–	(90,545)	3,497	(87,048)	(371)	(87,419)
Balance at September 30, 2015	560,200	296,573	7,287	444,507	1,470,668	2,779,235	32,659	2,811,894
Third quarter 2014 ("Q3 2014")								
Balance at July 1, 2014	560,200	296,573	7,287	520,134	1,446,843	2,831,037	28,456	2,859,493
Total comprehensive income for the period								
Profit for the period	–	–	–	–	3,940	3,940	1,280	5,220
Other comprehensive income for the period	–	–	–	3,654	–	3,654	48	3,702
Total	–	–	–	3,654	3,940	7,594	1,328	8,922
Balance at September 30, 2014	560,200	296,573	7,287	523,788	1,450,783	2,838,631	29,784	2,868,415

	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserves *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
Company					
Third quarter 2015 ("Q3 2015")					
Balance at July 1, 2015	560,200	296,573	6,275	419,290	1,282,338
Total comprehensive expense for the period					
Loss for the period	–	–	–	(1,009)	(1,009)
Balance at September 30, 2015	560,200	296,573	6,275	418,281	1,281,329
Third quarter 2014 ("Q3 2014")					
Balance at July 1, 2014	560,200	296,573	6,275	417,700	1,280,748
Total comprehensive expense for the period					
Loss for the period	–	–	–	(996)	(996)
Balance at September 30, 2014	560,200	296,573	6,275	416,704	1,279,752

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, 2015. The Company does not have any convertibles or treasury shares as at the end of the current financial year report on and as at the end of the corresponding period of the immediately preceding financial year.

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.

Share capital	As at September 30, 2015 *'000*	As at December 31, 2014 *'000*	As at September 30, 2015 *HK$'000*	As at December 31, 2014 *HK$'000*
	Number of ordinary shares of US$0.10 each			
Authorised	2,000,000	2,000,000	1,550,000	1,550,000
Issued and fully paid	722,500	722,500	560,200	560,200

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.

The same accounting policies and methods of computation have been applied in the financial statements as in the most recently audited annual financial statements as at 31 December 2014 except for the adoption of Financial Reporting Standards ("FRSs") which are relevant to the Group's operations and became effective for the financial years beginning on or after 1 January 2015.

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 adoption of the new and revised FRSs have no material effect on the Group's and Company's accounting policies.

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, 2015 to September 30, 2015	3 months from July 1, 2014 to September 30, 2014
Based on the weighted average number of ordinary shares in issue	0.48 HK cents	0.55 HK cents
On a fully diluted basis	0.48 HK cents	0.55 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, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Net asset value per ordinary share based on issued share capital at the end of the period reported on	384.67 HK cents	395.38 HK cents	177.35 HK cents	177.61 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.

On behalf of the Board of Directors, it is my pleasure to present the financial results of Kingboard Copper Foil Holdings Limited ("the Company") and its subsidiaries (together with the Company, "the Group") for the third quarter of 2015 ("Q3 2015"). Revenue for the current quarter comprised (i) the receipt of license fee of HK$30 million pursuant to the on-going licensing arrangement and (ii) the sale of polyvinyl butyral ("PVB") resin for HK$123 million, a basic

raw material for the production of PVB film which is used to produce reinforced glass for both automotive industry and buildings. The Group's turnover increased 11% to HK$153 million against the third quarter of 2014 ("Q3 2014"). Net profit attributable to owners of the Company for the current quarter was HK$3.5 million. In Q3 2015, cost of sales increased by 12% to HK$135 million against Q3 2014. Profit for the period decreased from HK$5.2 million in Q3 2014 to HK$4.4 million in Q3 2015 due to the decrease of average selling price as a result of keen competition during the period.

Distribution costs in Q3 2015 increased 49% to around HK$5.2 million as shipment volume increase and products are delivered to further distance in the current period. Finance costs in Q3 2014 was approximately HK$200,000 and was nil in Q3 2015. The bank borrowing raised by a PVB plant in the People's Republic of China in last year was fully repaid in February 2015. As at 30 September 2015, trade and other receivables and prepayments increased by 25% against the balance at 31 December 2014. The increase is caused by the increase in turnover and trade receivables.

Our financial position continued to be sound. As at September 30, 2015, net current assets and current ratio were approximately HK$1,459 million and 17.7 respectively. Current assets mainly comprised cash and bank balances of HK$1,375 million, trade and other receivables and prepayments of HK$101 million, bills receivables of HK$31 million and inventories of HK$37 million. As at end of Q3 2015, the Company's interest in Linkfit Investment Holdings Limited ("Linkfit"), a private company incorporated in Samoa, was 29.67%. The unquoted equity shares were stated at fair value at the end of the reporting period.

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.

Licensing Arrangement

At the Annual General Meeting of the Company held on April 29, 2011, the shareholders of the Company did not approve the renewal of the mandate ("Shareholders' Mandate") to enable the Group to enter into interested person transactions with Kingboard Chemical Holdings Limited ("Kingboard Chemical") and its associates (together, the "Interested Persons"). The Company has entered into a licensing agreement, as amended by the letter of extension and amendments dated 30 August 2013, to license the properties, inventory and machinery that were previously used for the production of copper foil with effect from 1 September 2011 to 31 August 2015 to Harvest Resources Management Limited, an independent third party, in order to ensure that a steady stream of license fee is received by the Group. The licensing agreement is renewed for the term of further two years to end of August 2017. The Group will, in compliance with the Listing Manual, make relevant disclosures as and when appropriate.

Litigation in Bermuda

On 3 August 2011, Annuity & Re Life Limited filed a petition (the "Petition") with the Supreme Court of Bermuda (the "Court") naming the Company and a number of its shareholders as respondents. The Company is a neutral party in the proceedings. That said, the Petition contains a number of allegations against the Company and the respondent shareholders. The Company is of the view that the allegations are baseless and the Petition itself is without merit. The trial of the Petition took place in Bermuda in September 2015. The Court reserved its judgment and will hand down its ruling in due course. The Company will make further announcements as and when necessary to keep shareholders informed of material developments in this matter.

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 economics 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, 2015.

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.

Not applicable.

17 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable.

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

The Company does not have any interested person transaction mandate or any interested person transaction required to be disclosed pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

Confirmation By the Board

We, LAM KA PO 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 2015 financial results to be false or misleading in all material aspects.

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

Lam Ka Po	**Cheung Kwok Ping**
Director	*Director*

BY ORDER OF THE BOARD
Cheung Kwok Ping
Director

November 4, 2015