KB KINGBOARD COPPER FOIL HOLDINGS LIMITED

SUSTAINABILITY REPORT 2017



Kingboard Copper Foil Holdings Ltd ("The Company", KCF), as part of the Kingboard Holdings Group ("The Group"), has for some time integrated sustainable development in both our strategic planning and day-to-day operations. For us, sustainability is about delivering long-term value to all our stakeholders.

This report covers the initiatives and performance in environmental, social and governance matters for the polyvinyl butyral ("PVB") resin business and licence business for the period commenced on 1 January and ended 31 December 2017 (FY17).

This report is developed in accordance with the Singapore Exchange SGX-ST Listing Rules 711B and Practice Note 7.6: 'Sustainability Reporting Guide' on a comply or explain basis. It is based on the Global Reporting Initiatives (GRI) Standards (2016) which provides a framework for the reporting of economic, environmental and social impact. In this report, we have also described our commitments, governance, policies, performance and targets in relation in managing the sustainability risks and opportunities during the financial year ended 31 December 2017.

MESSAGE FROM THE CHAIRMAN

It has been an exciting year for everyone at Kingboard Copper Foil ("KCF"). 2017 has been a very good year for us and saw our operations go from strength to strength with profit increasing significantly by 260%. For full details, please refer to our 2017 financial report.

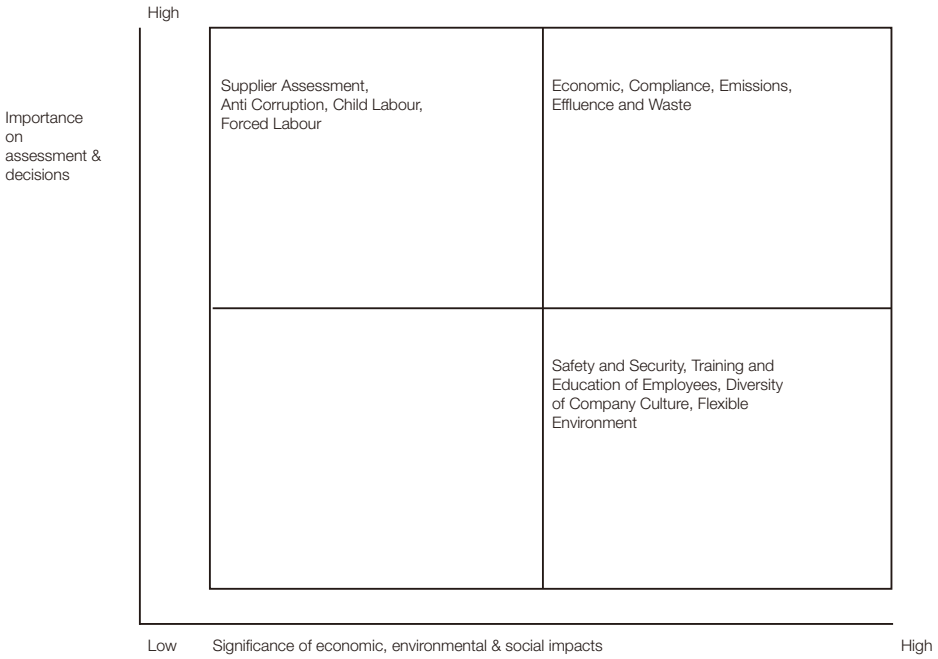
It has been a privilege to be at the helm of the Company and to be the bearer of this good news. But good financial results are not enough in this day and age and we need to be a better corporate citizen. To this end, I am delighted to present our inaugural sustainability report, the first of KCF in its own right rather than part of the Kingboard Holdings Group. As a group, we have been publishing sustainability reports for two years and over the years all subsidiaries, including KCF, have had to up their game be it for environmental concerns, social responsibility or corporate governance.

We continue to have a spotless record when it comes to child labour and forced labour and we continue to expand our training and community outreach programmes.

As we end 2018 and move into 2019 I hope all our stakeholders will join us in our journey to ever better sustainability so that we can pass onto the next generation not just prosperity, but a greener, fairer and happer world.

Lam Ka Po
Chairman and Executive Director

ECONOMIC ENVIRONMENTAL AND SOCIAL (EES) MATRIX – VISUAL REPRESENTATION OF PRIORITIES OF TOPICS



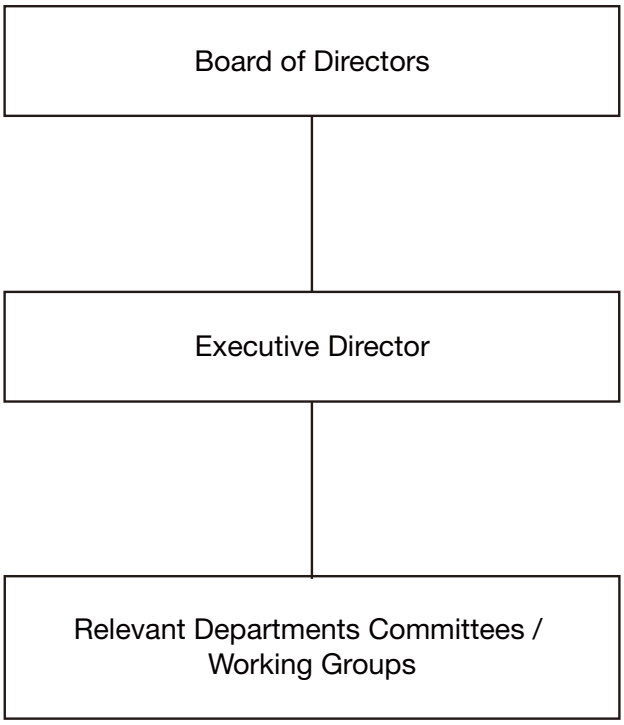
EES Matrix takes into account impacts the Company causes, contributes to, or is directly linked to through a business relationship. An exercise was conducted among both internal and external stakeholders asking them to rank and prioritise material information which resulted in this matrix. This allows us to understand not just the priorities of the Company as a whole but to understand where internal and external priorities align or differ.

ORGANISATION STRUCTURE

Name of subsidiary and country of incorporation/registration and operations	Principal activities	Proportion of ownership interest and voting power held by the Group %
Blue Atlas Limited (British Virgin Island)	Investment holding	100
Hong Kong Copper Foil Limited (British Virgin Islands)	Investment holding and licencing of its properties	100
Hong Kong Jamplan (China) Group Company Limited (Hong Kong)	Inactive	100
Fogang Kingboard Industry Ltd (PRC)	Licencing business	100
Kingboard Chemical Investment Limited (British Virgin Islands)	Investment holding	100
Kingboard Chemical Investment (Hong Kong) Limited (Hong Kong)	Investment holding	100
Chung Shun Copper Foil (MCO) Limited (Macau)	Trading of copper foil, PVB and related products	100
Kingboard(Fogang) Speciality Resins Limited (PRC)	Manufacture of speciality resins and related products	100
Kingboard (Lianzhou) Copper Foil Ltd (PRC)	Licencing business	100
Jiangxi Hong Feng Plastics Company Limited (PRC)	Manufacture of speciality resins and related products	57

SUSTAINABILITY GOVERNING STRUCTURE

The Board of Directors has overall responsibility for the Company's sustainability. An Executive Director is accountable for the management and monitoring of sustainability matters, including strategies, policies and practices, and for sustainability performance and targets. He consolidates information from key personnel from various departments responsible for the execution of the sustainability agenda on the ground.



THE ENVIRONMENT

The Company is committed to minimising the environmental impact of air emissions, waste water and solid wastes generated in its production process. We seek to reduce the volume of discharge of air emissions, waste water and hazardous wastes in all areas, such as production, office and staff quarters, by formulating regulations and operating procedures relating to environmental protection. In addition, we also focus on preventive measures, as we conduct evaluation of the source of discharge and emission on a regular basis, devise schemes to reduce discharge and emission at source, make adjustments to energy-related technologies and equipment, and seek further opportunities for recycling discharged materials and turning them into usable resources. We also make proactive efforts to optimise facilities and procedures for processing discharge and emission to ensure their effectiveness.

Moreover, we are aware of the fact that employees play an important role in the reduction of industrial waste. We have put in considerable resources to the education of employees on raising the awareness of environmental protection. We have also established a dedicated environmental protection task force responsible for formulating and implementing our environmental strategy, defining the environmental objectives of various business units and coordinating their environmental initiatives, supervising the implementation of targets in discharge and emission through a relevant mechanism for environmental audits and investigating future environmental rectification plans based on the outcome of such audits.

The Company implements the ISO14001 management system to process or control waste water, air emissions and wastes generated in the production process from their sources. Improvement measures are carried out annually to reduce discharges and environmental hazards on an ongoing basis.

Major air and water emissions	tonnes
Nitrogen oxides	5.58
Particulates	3.1
Sulphur dioxide	8.5
Processed waste water	4,215

WASTE WATER MANAGEMENT

We operate in strict accordance with the requirements of national and local laws and regulations to ensure compliance with national standards in the discharge of waste water.

During the financial year, we invested in various types of liquid waste management projects, such as the installation and operation of the liquefied alkalic desulphurisation tower, as well as the commissioning of the wind turbine to pump covered exhaust gas from waste water into the boiler for combustion.

WASTE MANAGEMENT

The volume of waste generated by KCF during FY2017 is set out as follows:

Major non-hazardous wastes	tonnes
Daily waste	20

To facilitate safe and effective reduction of the generation of hazardous wastes, we have implemented a range of measures to reduce the discharge of hazardous wastes.

CARBON EMISSIONS

The emission of carbon in the Group's operations originates primarily from its energy consumption. The operation of our plants, supported mainly by municipal electricity, generated a total of 19,824 tonnes of CO2e in FY2017. For details of our carbon emissions and measures for energy conservation and emission reduction, please refer to section "Consumption of Resources". As part of the Kingboard Holding Group we are required to abide strictly by its internal regulations for environmental protection to ensure compliance with applicable laws and regulations.

The Company was not aware of any material non-compliance with laws and regulations in relation environmental matters that had a significant impact on the Company during FY2017.

CONSUMPTION OF RESOURCES

The Company employs production processes and equipment of industry-advanced standards, to reduce energy and resource consumption, while setting targets for water and electricity conservation. Moreover, we are committed to compliance with pertinent laws and regulations on environmental protection with the adoption of effective measures to facilitate optimal use of resources, reduction in wasteful consumption and energy conservation.

The Group's production facilities have been operated in accordance with applicable environmental rules and regulations, while enterprise resource planning (ERP) systems have been implemented at all plants and offices to facilitate centralised administration and allocation of all resources, improvements to the manufacturing processes, materials, production equipment and recycling technologies relating to our products, timely adjustments on product mix to reduce the consumption of resources during production. Moreover, to avoid wasteful consumption of resources, the Group has formulated rules and regulations relating to the use of resources to regulate the use of water, electricity and gas in production and operation.

Data on the volume of energy and water consumption of KCF for FY2017 is set out as follows:

Resources consumed	Total	Units
Urban electricity	20,557,811	kwh
Coal	3,000	tonnes
Water	271,480	cubic metres
Carbon discharge (CO2)	19,824	tonnes

CONSUMPTION OF RESOURCES (continued)

The Group has also assigned dedicated staff to carry out regular inspection, supervising the implementation of the resource management mechanism to procure rectification of any deficiencies as well as conducting timely warnings and adjustments in respect of production lines showing excessive growth in total energy consumption, so as to ensure optimal utilisation of all resources of the Group. We have set targets in energy conservation based on the total amount of annual energy consumption and assigned conservation tasks to departments, workshops and shift teams, introducing incentives as well as penalties in a move to demand fulfilment of designated annual conservation targets by all departments.

In connection with water consumption, the Group emphasises recycling as well as conservation of water resources. We have established environmental protection functional departments to carry out detailed management and supervision in respect of energy conservation, discharge reduction and recycling. A portion of the purified water and usable waste water discharged to the waste water treatment station is being recycled, while discharged water at the waste water treatment station is being reused in the recycling water system as replenishment after deep processing, with a view to recycling water resources and reducing discharge of waste water.

THE ENVIRONMENT AND NATURAL RESOURCES

To ensure sustainable development, the Company has developed an environmental management system, through which the environmental impact of business activities is being assessed and continuous improvements are being made to the production processes and equipment to avoid abuse and depletion of natural resources. Meanwhile, we have appointed a third-party professional firm to prepare an environmental contingency plan and established an environmental contingency team headed by the plant manager, ensuring swift response to emergencies to minimise the impact of any environmental incidents.

In addition to compliance with currently applicable national and provincial regulations and standards on environmental protection, the Group has also acted in proactive response to noise generated by production facilities. A dedicated task force has been assigned to conduct regular noise tests and controls, while soundproof enclosures have been installed for equipment and facilities generating loud noise, and covers have been added on outdoor wind turbines and power generators together with relevant shock absorbing measures to reduce noise pollution, in a bid to build the Group into a national benchmark enterprise that exceeds national standards in environmental protection.

To enhance the quality of our environmental management, the ground surfaces of our plant areas are “either green or cement”, as lawns have been planted in the surrounding areas of the plants to facilitate purification, moderation and improvement of air quality for the plant areas. Separation and anti-seep measures have been adopted for the ground-level drainage and the underground water tanks to prevent soil pollution by industrial liquid wastes on the factory grounds.

COMMUNITY

Employment

We believe high-calibre human resources represent a crucial factor forging the competitiveness of an enterprise. In this connection, the Group has adopted a core strategy that seeks ongoing recruitment of competitive and creative personnel, complemented by a comprehensive training regime that emphasises continuous learning and team coordination, with a view to nurturing top-rate technical and management personnel pursued by Group departments at all levels.

Under our recruitment policy, we are basically looking for people who are trustworthy, innovative and proactive team players. All applicants must undergo a formal and objective assessment to determine whether they have the aptitude and ability to meet requirements of the Group's business development. At the same time, we have also established stringent procedures for examination and approval to ensure fairness of the recruitment process.

Our remuneration policy has been formulated in strict accordance with provisions of local governments and pertinent laws and regulations announced by the Ministry of Labour in the PRC. Comprehensive rules and regulations, including the System for the Administration of Salaries and Allowances, Performance Appraisal System, System for the Administration of Merit Assessment and Reward Allocation System, have been formulated for our employees' reference and as a basis for appraisal. Staff remuneration is determined on the basis of market levels, profitability of the Group and individual performances and adjusted according to comprehensive performance appraisals, seniority, attitude and other factors, in order the maintain the objectivity and fairness of our remuneration regime. We also provide adequate paid annual leaves for employees and stipulate appropriate work hours and off hours with a view to work-life balance on the part of employees.

In addition to competitive remuneration packages, we also grant special bonuses to eligible personnel, depending on their performances and our financial conditions. Meanwhile, staff privacy is also of equal importance to us, who have adopted relevant measures to keep confidential data relating to staff remuneration.

Moreover, we also provide employees with opportunities for promotion. The Group encourages internal promotion, as approximately 80% of the current team of junior, intermediate or senior managers have come through the ranks to where they stand now. The system of internal promotion allows capable staff to bring their strengths into full play and provide them with clear goals in career aspirations.

Furthermore, we insist on the appointment of staff solely on a merit basis. For this reason, we seek to foster a diverse workplace with strict prohibition against discrimination in any form in relation to recruitment, remuneration and promotion. Currently, we run recruitment programmes in all major cities of China and employment opportunities are available to all qualified applicants. Staff at all rankings are entitled to equal opportunities for training to ensure that all employees have adequate opportunities in career development. We have also established a whistleblowing system with a dedicated team to investigate any unfair treatments and adopt disciplinary actions. Meanwhile, we hold the employment relationship with our employees in high regard and strictly prohibit unreasonably dismissal of staff. The period of notice of termination is clearly stated in the employment contract, while there is appropriate communication with employees.

The Company was not aware of any material non-compliance with applicable laws and regulations pertaining to employment that had a significant impact on the Group during FY2017.

HEALTH AND SAFETY

The Company regards occupational health and safety as one of its foremost responsibilities. In addition to compliance with the "Law of the People's Republic of China on Safe Production", "Labour Law of the People's Republic of China" and "Law of the People's Republic of China on the Prevention of Occupational Diseases", among others,we have also adopted stringent measures to ensure compliance of our production processes with various regulatory requirements.

Staff safety is a prime concern for us, particularly in view of the mechanical operations involved in our production stages. We have formulated respective operational safety protocols for all production personnel, detailing safety matters for different production stages. A three-tier safety training programme, comprising plant entry training, workshop training and shift training, is arranged for all new employees. The operational safety protocols are explained during training and employees are requested to operate in strict compliance therewith. Any violations of the operational safety protocols are reflected in individual performance appraisals.

Staff health represents a top priority for the Company, which has made active efforts to provide a safe workplace for employees and adopted a range of measures to protect them from occupational hazards. For example, to ensure workplace safety of the plant workshops, we have engaged professional environmental consulting firms to conduct tests on workshop hazards. Moreover, employees are required to attend occupational health checks prior to starting work in the Company or transferring to new positions and may only commence work after passing such checks. We organise regular health checks at a full-service hospital for all staff on an annual basis. Employees susceptible to occupational hazards, once identified, are removed from the positions concerned to make sure they stay away from such occupational hazards. Furthermore, we require departing employees to receive occupational health inspection upon departure in strict accordance with the provisions of the Labour Law to safeguard their lawful interests. In addition, we are driving the establishment of a complete occupational health and safety management system for Group-wide implementation to facilitate investigation and rectification of safety hazards, development of preventive mechanisms ahead of potential incidents and effective regulation over production activities, ensure compliance with applicable laws and regulations relating to production safety at all production stages and enhancing standardisation in production safety on an ongoing basis.

To enhance employees' safety awareness and fire evacuation skills, we organise fire prevention safety training for staff on a regular basis. Such training includes familiarisation with means of escape, skills of evacuation in fire accidents, general knowledge on safe assembly and proper application of fire extinguishers and fire hoses. In addition, we also require employees to handle fire equipment in person, as we believe in the importance of hands-on practices. Moreover, a "Safe Production Activity Month" is held to further enhance employees' awareness on production safety. Through centralised monthly training sessions, employees have developed a better understanding of the importance of safe production.

The Company was not aware of any material non-compliance with applicable laws and regulations pertaining to staff health and safety that had a significant impact on the Company during FY2017.

DEVELOPMENT AND TRAINING

The Company has always attached great importance to the cultivation of talents. Therefore, we have devised and implemented a wide range of training activities, which can be categorised into induction training, external training and internal training:

Induction training: induction training aims to introduce new employees to the Company's rules and regulations as well as corporate culture and to share with them important business information, including information relating to production safety. Proper induction training helps new staff to enhance safety awareness, acclimatise to the Company, understand its business, mix with colleagues and build positive relations with their teams, so that they are well-prepared to thrive in their new positions.

In addition, Kingboard Management Academy also offers from time to time training for the enhancement of management skills and aptitude. Meanwhile, we have compiled the Company's training information package by organising and categorising the external training programmes and courses in FY2017 to prepare for the launch of more training programmes in the future.

Internal training and guidance: internal training programmes for relevant departments are organised each month and implemented according to annual training plans to consolidate fundamental skills and knowledge of employees and enhance their capabilities. The Company provides solid career planning support not just for in-service staff, but also for graduates fresh from colleges. Following discussion between heads of the HR and other relevant departments and a graduate, a customised training programme will be designed based on the wishes and aspirations of such graduate and experienced mentors will be assigned to provide guidance, support and assistance in connection with the career path of graduates, aiming to enhance the competence and competitiveness of fresh graduates and cultivate in them dedication and a positive work ethic.

Moreover, the "Kingboard Management Academy" founded by the Group in 2003 has developed a comprehensive training regime with Kingboard's characteristics categorised into the modules of pre-graduation management, induction training and in-service development, with a view to building a high-calibre talent pool for the Kingboard Group through centralised staff training programmes.

LABOUR STANDARDS

The Company firmly believes that respect for staff is a core value underpinning the success of an enterprise, and that labour relations characterised by mutual respect and equality will enhance unity within the enterprise. In line with this objective, we have adopted a range of measures to protect the interests of employees, including the prohibition of forced labour by way of violence, threat, detention or other illegal actions and the prohibition of child labour in strict accordance with pertinent provisions of the Labour Law and SA8000 Social Responsibility Standards.

All candidates qualified for employment must have reached the statutory age and are in possession of valid identification documents issued by the public security department before they can be officially appointed. All employees are required to enter into labour contracts for the prevention of forced labour. All staff must be legally employed on a voluntary basis. A stringent identity vetting process is carried out as part of the employment procedures. Candidates found to be falling short of the statutory age will be rejected without an exception. As part of the employment procedures, each candidate will be informed about the job details, working conditions, related occupational safety risks and remuneration of his/her positions, and we will proceed with the employment procedures only after the candidate has acknowledged understanding of the above.

The Company was not aware of any material non-compliance of applicable laws and regulations pertaining to the prohibition against child labour or forced labour during FY2017.

SUPPLY CHAIN MANAGEMENT

We typically apply stringent requirements in respect of suppliers and the stability of supply chains. All suppliers of production materials must have passed our Company's evaluation before entering into cooperation with us.

Moreover, we conduct on-site assessments at the suppliers' plants and sample tests on their products to ensure compliance of their products with our quality requirements. Only suppliers who have complied with the Group's requirements will be admitted to the Group's list of qualified suppliers. All qualified suppliers are required to sign the "List of Materials Subject to Environmental Control" and "Pledge of Suppliers Against the Use of Environment-related Materials" on an annual basis.

The Group also monitors the quality of products provided by its suppliers on a continuous basis. To avoid compromising the quality and safety of the Group's products, suppliers whose accreditation or product quality falls short of required standards will be suspended. Annual reviews of the suppliers are being conducted through on-site examination of their quality management, environmental systems, production setting and social responsibility to ensure compliance of their products and services with quality requirements and the principle of sustainable development.

PRODUCT RESPONSIBILITY

We have adopted a customer-centric principle with a primary focus on customers' experience of products and after-sales services. In this regard, we have established and implemented comprehensive procedures to manage customer communications, returned goods and customer complaints and assigned dedicated staff to provide after-sales services and handle returned goods and customer complaints, so as to assure timely response to customers' needs. Customer service personnel are required to retain all records of communications with customers to provide reference to relevant staff for understanding customers' requirements and expectations, so that timely actions can be taken to assure positive customer experience of our services.

The Group has formulated quality standards and relevant guidebooks covering the entire business process from inspection of raw materials to packaging and delivery. Product quality control is performed by the quality inspection department in accordance with the relevant standards and guidebooks to ensure compliance of our raw materials, semi-finished products and finished products with relevant quality standards. To prevent the circulation of sub-standard products and ensure consistency of product specifications with customers' requirements, we typically conduct a compliance check of each finished item prior to ex-factory delivery. Through ongoing improvements and comprehensive quality management, we hope to attain our Group's objective of "doing it right at the first take".

Moreover, the Group regularly invites third-party accreditation institutions to conduct general audits of its quality management system and provide guidance to relevant departments and teams, with a view to continuously improving the effectiveness, adequacy and suitability of its quality system. We also arrange regular training for staff of the quality inspection department to ensure that their knowledge and skills match with increasingly rigorous quality requirements.

Meanwhile, the Group is also highly concerned with customer privacy. We require our staff to comply with the Group's internal rules and regulations on information protection and handle and store customer-related information with prudence and care. We have also installed various computer controls to protect customer information in our computer systems. Such internal control measures are reviewed on a regular basis to ensure its effectiveness.

The Company was not aware of any material non-compliance of applicable laws and regulations pertaining to product and service quality and customer privacy that had a significant impact on the Group during FY2017.

ANTI-CORRUPTION

All members of our staff, including the management, are required to strictly comply with the code of conduct of our Group. Management personnel are required to declare annually conflict of interests in any form, while the Group has established an anonymous whistleblowing mechanism supported by an independent investigation team to deal with all reports on bribery, extortion, fraud and money-laundering. Moreover, to enhance staff awareness of the importance of honesty and integrity, all new employees are required to participate in training on the code of conduct upon induction. Stringent approval procedures have been established in respect of the use of company funds, while incumbent staff also receive regular training in the form of case study.

The Company was not aware of any material non-compliance of applicable laws and regulations pertaining to the prevention of bribery, extortion, fraud and money-laundering during FY2017.

COMMUNITY INVESTMENT

In addition to its persistent efforts in corporate development, the Group is also committed to the undertaking of corporate social responsibility and the promotion of social harmony.

We also consider community care and social contribution a core responsibility of the Group's long-term development, as we endeavour to continually improve our social responsibility management regime and help people in need with the resources of corporate and society as well as social resources through the collective efforts of plants, families and the community. During the Reporting Period, we were focused on providing aid to underprivileged groups, and we paid visits to grassroots citizens in Qingshan Town, Lin'an City, Zhejiang Province during traditional festivals such as the Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival to show our care and concern. Furthermore, to help enrich the cultural life of the community and enhance the Company's engagement, our staff actively participated in the local card game contest to strongly boost the cultural and leisure life of local residents. The Group's management and basketball team also visited children of low-income or grassroots families in Dongma Village in the impoverished areas of Neiqiu County in southern Henan to bring them food, stationery and toys. Local kids are encouraged to overcome difficulties with a positive attitude and learn with diligent efforts so that they might become useful members of the community someday.

BOARD MANAGEMENT & RESPONSIBILITY

The Group is committed to good corporate governance, which promotes the long-term interests of shareholders, strengthens board and management accountability, and helps build public trust in the Company.

In this Sustainability Report, we highlighted many corporate policies and practices, through which we seek to responsibly manage our business in different parts of the world. The Group's risk management initiatives, which include sustainability issues, consider annually whether the Company's policies and programs adequately identify and respond to the material sustainability risks that we face. The Group's risk management and internal control systems help ensure protection of the Group's assets, including our people, the efficiency and effectiveness of our processes, the reliability of the information provided to our stakeholders, and our compliance with applicable laws and regulations.

RISK MANAGEMENT, INTERNAL CONTROL AND RESPONSIBILITY OF THE BOARD

The Board acknowledges its accountability to the risk management and internal control system and its responsibility to review the effectiveness of the system. The Board also clarifies that the system is purported to manage, but not eliminate, the risk of failure to fulfil business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Management is responsible for setting the appropriate tone from the top, performing risk assessment, and owning the design, implementation and maintenance of internal control. Essential to this risk management and internal control systems are well defined policies and procedures that are properly documented and communicated to employees.

The Group has established an internal audit department to review the financial condition, operational condition, risk management, compliance control and internal control of the Group. The Audit Committee assists the Board to fulfill its oversight role over the Group's risk management and internal control function by reviewing and evaluating the effectiveness of our overall risk management and internal control system at least annually. For FY2017, the Board, through the Audit Committee, conducted a review of the effectiveness of the internal control system of the Company including financial, operational and compliance controls and risk management and will conduct such review at least once a year, so as to ensure the shareholders' investment and the Group's assets are properly safeguarded. The Board is satisfied that, based on the information supplied, coupled with its own observations and with the assistance of the Audit Committee, the present internal controls and risk management processes are satisfactory for the nature and size of the Group's operations and business.

The Audit Committee assists the Board to fulfil its oversight role over the Group's risk management and internal control function by reviewing and evaluating the effectiveness of our overall risk management and internal control system at least annually.

The Group's risk management and internal control system is embedded within our business processes so that it functions as an integral part of the overall operation of the Group. The system comprises a comprehensive organisation structure with assignment of definite accountabilities and delegation of corresponding authorities to each post. Based on our organisation structure, a reporting system has been developed including reporting channels from division heads of business units to the Board.

The risk management and internal control systems and accounting system of the Group are aimed at identifying and evaluating the Group's risk and formulate risk mitigation strategies, and to provide reasonable assurance that assets are safeguarded against unauthorised use or disposition, transactions are executed in accordance with management's authorisation, and the accounting records are reliable for preparing financial information used within the business for publication, maintaining accountability for assets and liabilities and ensuring the business operations are in accordance with relevant legislation, regulations and internal guidelines.

The Group has a defined organisational structure with clear defined lines of responsibility and authority. Each department is accountable for its daily operations and is required to report to executive Directors on a regular basis. Policies and procedures are set for each department, which includes establishing and maintaining effective policies to enhance risks identification to which the Group are exposed and taking appropriate action to manage such risks, establishing a structure with defined authorities and proper segregation of duties; monitoring the strategic plan and performance; designing an effective accounting and information system; controlling price sensitive information; and ensuring swift actions and timely communication with our stakeholders.

PROCEDURES AND CONTROLS OVER HANDLING AND DISSEMINATION OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group has internal policy and procedures which strictly prohibit unauthorised use of inside information and has communicated to all staff; the Board is aware of its obligations to announce any inside information in accordance with the Listing Rules and conducts the affairs with reference to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012 and SGX's Practice Note 7.2 Monitoring and Querying Unusual Trading Activity. In addition, only Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

KB KINGBOARD COPPER FOIL HOLDINGS LIMITED

23/F, Delta House, 3 On Yiu Street, Shek Mun, Shatin, N.T., Hong Kong
Tel：(852) 2605 6493 Fax：(852) 2691 5245
E-mail：enquiry@kingboard.com Web site：http://www.kbcopperfoil.com