KINGBOARD COPPER FOIL HOLDINGS LIMITED
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED JUNE 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		
	June 30, 2015 *HK$'000*	**June 30, 2014** *HK$'000*	**% Change**
Revenue	155,507	130,219	19.42%
Cost of sales	(137,447)	(112,663)	22.00%
Gross profit	18,060	17,556	2.87%
Other operating income	675	582	15.98%
Distribution costs	(5,260)	(3,179)	65.46%
Administrative expenses	(4,548)	(3,824)	18.93%
Other operating expenses	–	(9)	-100.00%
Finance costs	–	(189)	-100.00%
Share of losses of an associate	(2,974)	(2,375)	25.22%
Profit before tax	5,953	8,562	-30.47%
Income tax expense	(2,127)	(2,601)	-18.22%
Profit for the period	3,826	5,961	-35.82%
Profit for the period attributable to:			
Owners of the Company	2,857	4,477	-36.18%
Non-controlling interests	969	1,484	-34.70%

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

	Group 3 Months ended		
	June 30, 2015	**June 30, 2014**	**% Change**
	HK$'000	*HK$'000*	
Other operating income including interest income	(675)	(582)	15.98%
Depreciation of property, plant and equipment	33,149	35,508	-6.64%
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 June 30, 2015	**As at December 31, 2014**	**As at June 30, 2015**	**As at December 31, 2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Current assets:				
Cash and bank balances	1,371,123	1,329,754	–	–
Trade and other receivables and prepayments	86,705	80,952	166	166
Bills receivable	53,705	35,328	–	–
Prepaid land use rights	1,138	1,101	–	–
Inventories	37,772	34,901	–	–
Total current assets	1,550,443	1,482,036	166	166

	Group		Company	
	As at June 30, 2015	As at December 31, 2014	As at June 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	56,110	61,933	20,874	20,874
Due from a subsidiary	–	–	873,058	873,932
Investment property	6,446	6,444	–	–
Property, plant and equipment	591,852	653,664	–	–
Prepaid land use rights	41,077	41,668	–	–
Non-current deposits	5,391	5,390	–	–
Other non-current assets	732,671	732,430	–	–
Goodwill	238	238	–	–
Total non-current assets	1,433,785	1,501,767	1,287,707	1,288,581
Total assets	2,984,228	2,983,803	1,287,873	1,288,747
LIABILITIES AND EQUITY				
Current liabilities:				
Due to a subsidiary	–	–	2,721	2,721
Bank borrowing	–	6,338	–	–
Bills payable	3,013	4,908	–	–
Trade and other payables	76,707	78,662	2,776	2,776
Income tax payable	5,195	5,910	38	38
Total current liabilities	84,915	95,818	5,535	5,535
Capital and reserves and non-controlling interests:				
Share capital	560,200	560,200	560,200	560,200
Reserves	2,306,083	2,296,426	722,138	723,012
Equity attributable to owners of the Company	2,866,283	2,856,626	1,282,338	1,283,212
Non-controlling interests	33,030	31,359	–	–
Total equity	2,899,313	2,887,985	1,282,338	1,283,212
Total liabilities and equity	2,984,228	2,983,803	1,287,873	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 June 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 June 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	
	June 30, 2015	**June 30, 2014**
	HK$'000	*HK$'000*
Operating activities:		
Profit before tax	5,953	8,562
Adjustments for:		
Depreciation of property, plant and equipment	33,149	35,508
Amortisation of prepaid land use rights	270	270
Interest income	(468)	(427)
Interest expense	–	189
Share of losses of an associate	2,974	2,375

	3 Months ended	
	June 30, 2015	**June 30, 2014**
	HK$'000	*HK$'000*
Operating cash flow before movements in working capital	41,878	46,477
Trade and other receivables and prepayments	56,049	8,204
Bills receivable	(20,184)	6,571
Inventories	(4,974)	4,360
Trade and other payables	(17,058)	2,804
Bills payable	220	488
Cash generated from operations	55,931	68,904
Income tax paid	(2,436)	(1,988)
Dividend paid to non-controlling interest of a subsidiary	–	(6,773)
Interest received	468	427
Interest paid	–	(189)
Net cash from operating activities	53,963	60,381
Investing activities:		
Purchase of property, plant and equipment	(3,024)	–
Net cash used in investing activities	(3,024)	–
Net increase in cash and bank balances	50,939	60,381
Cash and bank balances at the beginning of the period	1,317,215	1,162,568
Effect of exchange rate changes on the balance of cash and bank held in foreign currencies	2,969	(226)
Cash and bank balances at the end of the period	1,371,123	1,222,723

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	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit (loss) for the period	3,826	5,961	(763)	(1,043)
Other comprehensive income (expense):				
Items that may be reclassified subsequently to profit or loss:				
Exchange difference arising on translation to foreign operations	10,219	(1,960)	–	–
Total comprehensive income (expense) for the period	14,045	4,001	(763)	(1,043)
Total comprehensive income (expense) attributable to:				
Owners of the Company	12,933	2,530	(763)	(1,043)
Non-controlling interests	1,112	1,471	–	–
	14,045	4,001	(763)	(1,043)

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								
Second quarter 2015 ("Q2 2015")								
Balance at April 1, 2015	560,200	296,573	7,287	524,976	1,464,314	2,853,350	31,918	2,885,268
Total comprehensive income for the period								
Profit for the period	–	–	–	–	2,857	2,857	969	3,826
Other comprehensive income for the period	–	–	–	10,076	–	10,076	143	10,219
Total	–	–	–	10,076	2,857	12,933	1,112	14,045
Balance at June 30, 2015	560,200	296,573	7,287	535,052	1,467,171	2,866,283	33,030	2,899,313
Second quarter 2014 ("Q2 2014")								
Balance at April 1, 2014	560,200	296,573	7,287	522,081	1,442,366	2,828,507	33,758	2,862,265
Total comprehensive income (expense) for the period								
Profit for the period	–	–	–	–	4,477	4,477	1,484	5,961
Other comprehensive expense for the period	–	–	–	(1,947)	–	(1,947)	(13)	(1,960)
Total	–	–	–	(1,947)	4,477	2,530	1,471	4,001
Transactions with owners, recognised directly in equity								
Dividend paid to non-controlling interest of a subsidiary	–	–	–	–	–	–	(6,773)	(6,773)
Balance at June 30, 2014	560,200	296,573	7,287	520,134	1,446,843	2,831,037	28,456	2,859,493

	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserves *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
Company					
Second quarter 2015 ("Q2 2015")					
Balance at April 1, 2015	560,200	296,573	6,275	420,053	1,283,101
Total comprehensive expense for the period					
Loss for the period	–	–	–	(763)	(763)
Balance at June 30, 2015	560,200	296,573	6,275	419,290	1,282,338
Second quarter 2014 ("Q2 2014")					
Balance at April 1, 2014	560,200	296,573	6,275	418,743	1,281,791
Total comprehensive expense for the period					
Loss for the period	–	–	–	(1,043)	(1,043)
Balance at June 30, 2014	560,200	296,573	6,275	417,700	1,280,748

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 June 30, 2015. The Company does not have any convertibles or treasury shares as at the end of the current financial period 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 June 30, 2015 '000	As at December 31, 2014 '000	As at June 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 April 1, 2015 to June 30, 2015	3 months from April 1, 2014 to June 30, 2014
Based on the weighted average number of ordinary shares in issue	0.40 HK cents	0.62 HK cents
On a fully diluted basis	0.40 HK cents	0.62 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	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Net asset value per ordinary share based on issued share capital at the end of the period reported on	396.72 HK cents	395.38 HK cents	177.49 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 second quarter of 2015 ("Q2 2015"). Revenue for the current quarter comprised (i) the receipt of license fee of HK$30 million pursuant to the on-going licensing arrangement which was renewed for a term of two years on 1 September 2013 and (ii) the sale

of polyvinyl butyral ("PVB") resin for HK$126 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 19% to HK$156 million against the second quarter of 2014 ("Q2 2014"). Net profit attributable to owners of the Company for the current quarter was HK$2.9 million.

Distribution costs in Q2 2015 increased 65% to around HK$5.3 million as shipment volume increase and products are delivered to further distance in the current period. Finance costs in Q2 2014 was approximately HK$189,000 and was nil in Q2 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.

Our financial position continued to be sound. As at June 30, 2015, net current assets and current ratio were approximately HK$1,466 million and 18.3 respectively. Current assets mainly comprised cash and bank balances of HK$1,371 million, trade and other receivables and prepayments of HK$87 million, bills receivables of HK$54 million and inventories of HK$38 million. As at end of Q2 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"). As an interim measure, the Company has entered into a two-year licensing arrangement to license the properties, inventory and machinery that were previously used for the production of copper foil with effect from 1 September 2011 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 arrangement is renewed for the term of two years to end of August 2015. The Group will, in compliance with the Listing Manual, make relevant disclosures as and when appropriate.

PVB Business

As mentioned previously, PVB is a key raw material for PVB film which is used in reinforced glass for both automotive industry and buildings. As the Chinese government continues to encourage domestic consumption and improve living standard for Chinese citizens, we believe that the demand for automotive and building construction will continue to be robust which would in turn drive up demand for PVB products. The Group will focus on upgrading our production capabilities and product mix to meet customer demands in order to further advance market share in the domestic China market.

Litigation in Bermuda

On 3 August 2011, a petition was filed in the Supreme Court of Bermuda by Annuity & Re Life Limited naming the Company and a number of its shareholders as respondents. The petition concerns a shareholder dispute in respect of the Company and the Company is a neutral party, however the petition makes a number of allegations concerning the Company and its shareholders. The Company is of the view that the allegations are baseless and the petition itself is without merit. The trial for the petition is fixed for 9 to 18 September 2015. 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 June 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 Q2 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

August 5, 2015