KB

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

	FY2014 *HK$'million*	**FY2013** *HK$'million*	**Change**
Revenue	13,282.7	12,798.3	+4%
EBITDA*	2,146.2	2,185.9	-2%
Profit before tax*	1,302.9	1,334.0	-2%
Net profit attributable to owners of the Company			
– Underlying net profit*	1,095.5	1,148.0	-5%
– Reported net profit	1,121.8	1,207.2	-7%
Earnings per share			
– Based on underlying net profit*	HK36.5 cents	HK38.3 cents	-5%
– Based on reported net profit	HK37.4 cents	HK40.2 cents	-7%
Full-year dividend per share	HK16.0 cents	HK17.0 cents	-6%
– Interim dividend per share	HK6.0 cents	HK5.0 cents	+20%
– Proposed final dividend per share	HK10.0 cents	HK12.0 cents	-17%
Dividend payout ratio#	44%	44%	
Net asset value per share	HK$4.43	HK$4.31	+3%
Net gearing	18%	21%	

* Excluding:

2014: Gain on fair value changes of investment properties of HK$28.5 million and share-based payments of HK$2.1 million.

2013: Gain on fair value changes of investment properties of HK$72.1 million and share-based payments of HK$12.9 million.

\# Calculated base on underlying net profit.

The board of directors (the "Board") of Kingboard Laminates Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014 together with the comparative figures for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2014

	Notes	**2014** *HK$'000*	**2013** *HK$'000*
Revenue	*2*	13,282,694	12,798,302
Cost of sales		(11,285,223)	(10,806,997)
Gross profit		1,997,471	1,991,305
Other income, gains and losses	*4*	144,643	172,004
Distribution costs		(286,267)	(278,508)
Administrative costs		(465,735)	(437,430)
Share-based payments		(2,130)	(12,916)
Gain on fair value changes of investment properties		28,489	72,110
Gain on disposal of available-for-sale investments		14,864	11,369
Finance costs	*5*	(102,079)	(124,783)
Profit before taxation		1,329,256	1,393,151
Income tax expense	*7*	(193,281)	(183,268)
Profit for the year		1,135,975	1,209,883
Profit for the year attributable to:			
Owners of the Company		1,121,842	1,207,182
Non-controlling interests		14,133	2,701
		1,135,975	1,209,883
Earnings per share – Basic and diluted	*9*	HK$0.374	HK$0.402

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 *HK$'000*	2013 *HK$'000*
Profit for the year	1,135,975	1,209,883
Other comprehensive (expense) income for the year		
Item that will not be reclassified to profit or loss:		
Translation reserve:		
Exchange differences arising from translation to presentation currency	(144,251)	400,782
Items that may be reclassified subsequently to profit or loss:		
Investment revaluation reserve:		
Fair value changes of available-for-sale investments	(45,788)	37,110
Reclassification adjustment relating to disposal of available-for-sale investments	(14,864)	(11,369)
	(60,652)	25,741
Other comprehensive (expense) income for the year (net of tax)	(204,903)	426,523
Total comprehensive income for the year	931,072	1,636,406
Total comprehensive income attributable to:		
Owners of the Company	920,175	1,606,199
Non-controlling interests	10,897	30,207
	931,072	1,636,406

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Investment properties		1,268,646	1,283,553
Properties, plant and equipment		5,496,837	5,346,161
Prepaid lease payments		450,869	460,569
Available-for-sale investments		1,588,646	1,904,009
Non-current deposits		68,597	199,290
Other non-current assets		732,430	734,889
Deferred tax assets		3,913	4,083
Goodwill		238	238
		9,610,176	9,932,792
Current assets			
Inventories		1,463,633	1,289,434
Trade and other receivables and prepayments	10	4,554,430	4,295,860
Bills receivables	10	972,739	728,826
Properties held for development		3,757,111	2,991,581
Prepaid lease payments		10,581	11,291
Amounts due from fellow subsidiaries		99,257	274,782
Taxation recoverable		7,063	7,063
Bank balances and cash		2,447,596	2,427,697
		13,312,410	12,026,534
Current liabilities			
Trade and other payables	11	1,690,572	1,624,928
Bills payables	11	329,021	239,131
Deposits received from pre-sale of residential units		1,030,577	220,450
Amounts due to fellow subsidiaries		40,116	40,214
Taxation payable		299,610	324,585
Derivative financial instruments		6,779	–
Bank borrowings – amount due within one year		2,802,287	1,593,338
		6,198,962	4,042,646
Net current assets		7,113,448	7,983,888
Total assets less current liabilities		16,723,624	17,916,680

	2014	2013
	HK$'000	*HK$'000*
Non-current liabilities		
Deferred tax liabilities	98,008	101,298
Bank borrowings – amount due after one year	2,231,956	3,790,846
	2,329,964	3,892,144
	14,393,660	14,024,536
Capital and reserves		
Share capital	300,000	300,000
Reserves	12,999,975	12,618,293
Equity attributable to owners of the Company	13,299,975	12,918,293
Non-controlling interests	1,093,685	1,106,243
Total equity	14,393,660	14,024,536

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and Hong Kong Accounting Standard ("HKAS") 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKFRS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC*) – INT 21	Levies

* IFRIC represents the International Financial Reporting Interpretations Committee.

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[2]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[3]
Amendments to HKAS 1	Disclosure initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[3]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[3]
Amendments to HKAS 27	Equity method in separate financial statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[4]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

The directors of the Company ("Directors") anticipate that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements.

2. 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 license fee income provided to outside customers, net of discounts, returns and sales related taxes. Analysis of revenue for the year is as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Sales of glass epoxy laminates	7,977,392	7,538,800
Sales of paper laminates	2,586,457	2,514,230
Sales of upstream materials	1,694,577	1,682,806
Others	882,370	934,136
Income from property investment	141,898	128,330
	13,282,694	12,798,302

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 service, which involves the drilling of holes into the laminates required by customers and 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.

3. OPERATING SEGMENTS

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to segments and to assess their performance. Specifically, the Group's operating and reportable segments under HKFRS 8 were organised into two main operating divisions – (i) manufacturing and 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:

Year ended 31 December 2014

	Laminates	Properties	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue	13,140,796	141,898	13,282,694
Segment results	1,308,535	42,572	1,351,107
Gain on disposal of available-for-sale investments			14,864
Share-based payments			(2,130)
Unallocated corporate income			140,975
Unallocated corporate expenses			(73,481)
Finance costs			(102,079)
Profit before taxation			1,329,256

Year ended 31 December 2013

	Laminates	Properties	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue	12,669,972	128,330	12,798,302
Segment results	1,299,392	95,284	1,394,676
Gain on disposal of available-for-sale investments			11,369
Share-based payments			(12,916)
Unallocated corporate income			200,753
Unallocated corporate expenses			(75,948)
Finance costs			(124,783)
Profit before taxation			1,393,151

Other segment information

The Group principally operates in the People's Republic of China ("PRC") (other than Hong Kong) (country of domicile) with revenue and profits derived mainly from its operations in the PRC.

The following is an analysis of the Group's revenue from the external customers by geographical location of the customers:

	2014	**2013**
	HK$'000	*HK$'000*
The PRC (country of domicile)	12,401,212	11,852,070
Other foreign countries:		
Other Asian countries	779,245	837,288
Europe	43,052	49,675
America	59,185	59,269
	13,282,694	12,798,302

Revenue from one of the Group's customer amounting to HK$1,638,196,000 (2013: HK$1,508,609,000), which individually accounted for over 10% of the Group's revenue for the year.

4. OTHER INCOME, GAINS AND LOSSES

	2014	**2013**
	HK$'000	*HK$'000*
Other income, gains and losses include:		
Interest income from available-for-sale investments	117,919	118,258
Dividend income from available-for-sale investments	17,038	32,671
Other interest income	6,979	7,141
Unrealised loss on fair value change of foreign exchange forward contracts	(6,779)	–

5. FINANCE COSTS

	2014	**2013**
	HK$'000	*HK$'000*
Interest on bank borrowings		
– wholly repayable within five years	104,167	128,680
– not wholly repayable within five years	1,940	1,623
	106,107	130,303
Less: Amounts capitalised in the construction in progress	(4,028)	(5,520)
	102,079	124,783

The weighted average capitalisation rate on funds borrowed generally is 2.0% per annum (2013: 2.3% per annum).

6. DEPRECIATION

During the year, depreciation of approximately HK$731.9 million (2013: HK$716.9 million) was charged in respect of the Group's properties, plant and equipment.

7. INCOME TAX EXPENSE

	2014	**2013**
	HK$'000	*HK$'000*
The amount comprises:		
Hong Kong Profits Tax		
Charge for the year	10,981	10,536
PRC Enterprise Income Tax		
Charge for the year	183,028	169,571
Overprovision in previous years	–	(1,822)
	183,028	167,749
Taxation arising in other jurisdiction		
Charge for the year	2,392	1,801
Deferred taxation		
(Credit) charge for the year	(3,120)	3,182
	193,281	183,268

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

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

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

8. DIVIDENDS

	2014 *HK$'000*	2013 *HK$'000*
Dividends paid		
Interim dividend for the year ended 31 December 2014 of HK6 cents (for the year ended 31 December 2013: HK5 cents) per ordinary share	180,000	150,000
Final dividend for the year ended 31 December 2013 of HK12 cents (for the year ended 31 December 2012: HK12 cents) per ordinary share	360,000	360,000
	540,000	510,000
Dividend proposed		
Proposed final dividend for the year ended 31 December 2014 of HK10 cents (for the year ended 31 December 2013: HK12 cents) per ordinary share	300,000	360,000

The final dividend of HK10 cents per ordinary share amounted to HK$300,000,000 in total in respect of the year ended 31 December 2014 (2013: final dividend of HK12 cents per ordinary share amounted to HK$360,000,000 in total in respect of the year ended 31 December 2013) has been proposed by the Directors and is subject to the approval by the shareholders of the Company in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

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

	2014 *HK$'000*	2013 *HK$'000*
Profit for the year attributable to owners of the Company	1,121,842	1,207,182

	Number of shares	
	2014 *'000*	**2013** *'000*
Number of ordinary shares for the purpose of calculating basic earnings per share	3,000,000	3,000,000

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of these share options was higher than the average market price for shares for both 2014 and 2013.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS AND BILLS RECEIVABLES

	2014	**2013**
	HK$'000	*HK$'000*
Trade receivables	3,570,113	3,491,467
Advance to suppliers	278,513	237,306
Interest income receivables	27,694	30,673
Prepaid expenses and deposits	286,940	190,318
Value-added tax ("VAT") recoverable	307,305	235,710
Land appreciation tax on pre-sale properties	2,005	1,883
Other receivables	81,860	108,503
	4,554,430	4,295,860
Bills receivables	972,739	728,826
	5,527,169	5,024,686

The Group allows credit periods of up to 120 days (2013: 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:

	2014	**2013**
	HK$'000	*HK$'000*
0 – 90 days	2,422,494	2,411,556
91 – 180 days	1,088,772	1,021,241
Over 180 days	58,847	58,670
	3,570,113	3,491,467

Bills receivables of the Group are aged within 90 days (2013: 90 days) at the end of the reporting period.

11. TRADE AND OTHER PAYABLES AND BILLS PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	817,642	891,922
Accrued expenses	201,607	173,892
Payables for acquisition of properties, plant and equipment	59,954	49,300
Receipts in advance	289,030	220,272
Other tax payables	114,693	109,951
VAT payables	132,406	103,881
Other payables *(Note)*	75,240	75,710
	1,690,572	1,624,928
Bills payables	329,021	239,131
	2,019,593	1,864,059

Note: Included in other payables as at 31 December 2014 is the consideration payable of HK$8,559,000 to an independent third party for additional interests in a non-wholly owned subsidiary. The amount is repayable in 2015.

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

	2014	2013
	HK$'000	*HK$'000*
0 – 90 days	735,294	766,410
91 – 180 days	47,704	78,010
Over 180 days	34,644	47,502
	817,642	891,922

The average credit period on purchase of goods is 90 days (2013: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Bills payables of the Group are aged within 90 days (2013: 90 days) at the end of the reporting period.

BUSINESS REVIEW

On behalf of the Board of Directors, I am delighted to report to our shareholders that Kingboard Laminates Holdings Limited ("the Company") and its subsidiaries ("the Group") delivered satisfactory results for the financial year ended 31 December 2014. Growth in the electronics market during the year was mainly driven by sales of smartphones, telecommunications base stations and automobile-related electronic products. Leveraging on the management's business acumen and extensive operational experience, the Group was able to formulate visionary development strategies to help it achieve outstanding results through consistent capacity expansion in high-performance laminates and other upstream materials. Laminates output and shipment volumes have thus climbed to new record highs. During the year, capacity enhancement works for our laminates plants were completed as scheduled. To further strengthen our vertical production setup, enhanced facilities for upstream materials were commissioned during the year, increasing the monthly capacities of glass fabric by 26% to 3.3 million metres and glass yarn by 45% to 9,000 tonnes.

Group revenue for the year increased 4% to HK$13,282.7 million, producing an underlying net profit (excluding non-recurring items) of HK$1,095.5 million, a mild drop of 5%. Despite the persistent difficult operating environment for the manufacturing sector in China, the Group was able to deliver satisfactory earnings and maintained a healthy financial position.

The Board has proposed a final dividend of HK10 cents per share, subject to shareholders' approval. Together with the interim dividend of HK6 cents per share paid in September 2014, this will constitute a total dividend of HK16 cents per share for the full year, representing a payout ratio of 44%.

Financial Highlights

	FY2014 *HK$'million*	FY2013 *HK$'million*	Change
Revenue	13,282.7	12,798.3	+4%
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Net profit attributable to owners of the Company			
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Earnings per share			
– Based on underlying net profit*	HK36.5 cents	HK38.3 cents	-5%
– Based on reported net profit	HK37.4 cents	HK40.2 cents	-7%
Full-year dividend per share	HK16.0 cents	HK17.0 cents	-6%
– Interim dividend per share	HK6.0 cents	HK5.0 cents	+20%
– Proposed final dividend per share	HK10.0 cents	HK12.0 cents	-17%
Dividend payout ratio#	44%	44%	
Net asset value per share	HK$4.43	HK$4.31	+3%
Net gearing	18%	21%	

* Excluding:

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\# Calculated base on underlying net profit.

PERFORMANCE

In 2014, the Group's consolidated revenue was HK$13,282.7 million, achieved on an average monthly shipment volume of 9.5 million square metres, an increase of 5% over the previous year. Revenue from composite epoxy material laminates ("CEM") and glass epoxy laminates ("FR4") contributed 60% of Group revenue in 2014, while paper laminates sales accounted for 19% of total revenue. The balance mainly comprised sales of upstream materials and other products. The Group's gross profit margin was maintained at 15%. Earnings before interest, tax, depreciation and amortisation ("EBITDA") (excluding non-recurring items) were HK$2,146.2 million, remaining level with 2013.

As shipment volume expanded, distribution and administrative costs increased 3% and 6% respectively against last year. Finance costs dropped 18% during the year, mainly as a result of lower average bank borrowings and borrowing costs. The effective tax rate was 14.5%.

LIQUIDITY AND CAPITAL RESOURCES

Our consolidated financial and liquidity position remained robust. As at 31 December 2014, net current assets and current ratio of the Group amounted to approximately HK$7,113.4 million (31 December 2013: HK$7,983.9 million) and 2.15 (31 December 2013: 2.97) respectively.

The net working capital cycle decreased to 110 days as at 31 December 2014 from 111 days as at 31 December 2013, on the following key metrics:

– Inventories, in terms of stock turnover days, increased to 47 days (31 December 2013: 44 days).

– Trade receivables, including amounts due from fellow subsidiaries, in terms of debtors turnover days, were shortened to 101 days (31 December 2013: 107 days).

– Trade and bills payables, including amounts due to fellow subsidiaries, in terms of creditors turnover days, were shortened to 38 days (31 December 2013: 40 days).

The Group's net gearing ratio (ratio of interest-bearing borrowings, net of cash and cash equivalents, to total equity) was reduced to 18% (31 December 2013: 21%). In 2014, the Group invested HK$930 million in new production capacities and HK$770 million in its property business. Equipped with an experienced professional management team, a solid business foundation and sound financial strength, management is confident that these investments will deliver stable and attractive returns to shareholders over the long term. The ratio of bank borrowings between short term and long term stood at 56%:44% (31 December 2013: 30%:70%). Meanwhile, the Group maintained sufficient financial resources to meet the requirements for future market developments.

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 31 December 2014, such contracts had a fair value of 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 year. 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 31 December 2014, the Group had a workforce of approximately 10,400 (31 December 2013: 9,700). The increase in workforce was mainly due to the increased staff force at the newly completed laminates plant in Jiangmen, Guangdong Province and at the new glass yarn plant in Qingyuan, Guangdong Province. 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 year 2015 is witnessing continued warming up of the market for downstream electronic gadgets including smartphones and electronic consumer products, helping to drive the demand for high-performance laminates. Having tapped successfully into the market for LED-related laminates, the Group expects to see steady growth in sales going forward. All our plants are actively working on enhancing their operation efficiency to meet strong demand in laminates production.

In a consistently improving environment for the laminates business, the Group has commissioned further capacity enhancement works at the newly completed glass yarn plant in Qingyuan, Guangdong Province.

Recent years, demand in PVB film continues to expand. After more than a decade of active development in the production of quality PVB films, the Group is one of only four manufacturers in the world equipped with thin-film photovoltaic technology. As PVB's application in the construction and automobile glass industries continues to grow, as well as the further development of optics and photovoltaics, the Group plans to expand its production of PVB.

The property segment has maintained strong sales and satisfactory occupancy rates for its rental properties. With approval of the relevant authorities, our old plant in Shenzhen, Guangdong Province could be redeveloped. Design planning is now underway for this property redevelopment project with an expected buildable gross floor area of 400,000 square metres. Together with the plots of land in Kunshan and Jiangyin, Jiangsu Province, the Group owns a land bank in China with a gross floor area measuring approximately 1.7 million square metres. There is no immediate plan to increase this. The Group will focus on completing the existing projects with a view to delivering greater returns for shareholders.

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 in the past financial year.

FINAL DIVIDEND

The proposed final dividend of HK10 cents per share, the payment of which is subject to approval by the shareholders at the forthcoming annual general meeting of the Company to be held on Monday, 18 May 2015 ("2015 AGM"), is to be payable on Thursday, 4 June 2015 to shareholders whose names appear on the Register of Members of the Company on Tuesday, 26 May 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of the Members of the Company will be closed during the following periods:

(i) From Thursday, 14 May 2015 to Monday, 18 May 2015, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2015 AGM. In order to be eligible to attend and vote at the 2015 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 13 May 2015; and

(ii) From Friday, 22 May 2015 to Tuesday, 26 May 2015, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, Company's branch share register in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Thursday, 21 May 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has been in compliance with relevant provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2014, save for the deviation that the non-executive Director and independent non-executive Directors are not appointed for specific terms pursuant to paragraph 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 meeting 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.

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 year ended 31 December 2014.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, 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 audited annual financial statements of the Group for the year ended 31 December 2014.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in the preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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

Hong Kong, 16 March 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. Chan Yue Kwong, Michael, Leung Tai Chiu, Ip Shu Kwan, Stephen and Zhang Lu Fu being the independent non-executive Directors.