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"KINGBOARD COPPER FOIL HOLDINGS LIMITED
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2010

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

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	3 months ended		
	September 30, 2010	**September 30, 2009**	**% Change**
	HK$'000	*HK$'000*	
Revenue	1,254,732	828,086	51.52%
Cost of sales	(1,185,760)	(741,012)	60.02%
Gross profit	68,972	87,074	-20.79%
Other operating income	2,783	3,798	-26.72%
Distribution costs	(13,837)	(9,045)	52.98%
Administrative expenses	(14,710)	(13,813)	6.49%
Other operating expenses	(276)	(490)	-43.67%
Finance costs – interest expenses paid to non-related companies	(171)	(361)	-52.63%
Profit before tax	42,761	67,163	-36.33%
Income tax expense	(3,410)	(5,375)	-36.56%
Profit for the period	39,351	61,788	-36.31%
Attributable to:			
Equity holders of the Company	38,138	61,121	-37.60%
Minority interests	1,213	667	81.86%

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

	Group 3 months ended September 30, 2010 *HK$'000*	September 30, 2009 *HK$'000*	% Change
Other operating income including interest income	(2,783)	(3,798)	-26.72%
Realised gain on derivative financial instruments	–	(4,087)	-100.00%
Loss on fair value changes of derivative financial instruments	9,277	–	NM
Interest on bank borrowings	171	361	-52.63%
Depreciation of property, plant and equipment	47,784	49,106	-2.69%
Amortisation of prepaid land use rights	257	273	-5.86%

NM: Not meaningful

1(b)(i) A balance sheet (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, 2010 *HK$'000*	As at December 31, 2009 *HK$'000*	As at September 30, 2010 *HK$'000*	As at December 31, 2009 *HK$'000*
ASSETS				
Current assets:				
Cash and bank balances	281,626	308,894	–	–
Trade and other receivables and prepayments	369,025	356,043	18,105	18,105
Bills receivables	253,785	243,165	–	–
Prepaid land use rights	1,038	1,019	–	–
Inventories	708,185	623,953	–	–
Total current assets	1,613,659	1,533,074	18,105	18,105

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, 2010		As at December 31, 2009	
Secured	**Unsecured**	**Secured**	**Unsecured**
HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
–	59,683	–	255,179

Amount repayable after one year

As at September 30, 2010		As at December 31, 2009	
Secured	**Unsecured**	**Secured**	**Unsecured**
HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
–	–	–	–

Details of any collateral

Not applicable.

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

	3 months ended September 30, 2010	3 months ended September 30, 2009
	HK$'000	*HK$'000*
Cash flows from operations:		
Profit before tax	42,761	67,163
Adjustments for:		
Depreciation of property, plant and equipment	47,784	49,106
Amortisation of prepaid land use rights	257	273
Realised gain on derivative financial instruments	–	(4,087)
Loss on fair value changes of derivative financial instruments	9,277	–
Loss on disposal of property, plant and equipment	980	245
Interest expense	171	361
Interest income	(522)	(479)

	3 months ended	
	September 30, 2010	**September 30, 2009**
	HK$'000	*HK$'000*
Operating cash flow before working capital changes	100,708	112,582
Trade and other receivables and prepayments	(6,680)	(95,753)
Bills receivables	(80,310)	(41,292)
Proceed from settlement of derivative financial instruments	–	4,087
Inventories	26,336	(24,139)
Trade and other payables	17,531	1,359
Cash generated from (used in) operations	57,585	(43,156)
Income tax paid	(9,933)	(1,192)
Interest paid	(171)	(361)
Interest received	522	479
Net cash generated from (used in) operating activities	48,003	(44,230)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	746	679
Purchase of property, plant and equipment	(4,487)	(11,985)
Net cash used in investing activities	(3,741)	(11,306)
Cash flows from financing activities:		
(Decrease) Increase in bank borrowings	(137,163)	81,331
Increase (Decrease) in bills payables	16,191	(42,044)
Dividend paid	(7,225)	–
Net cash (used in) generated from financing activities	(128,197)	39,287
Effects of consolidating foreign subsidiaries	54	67
Decrease in cash and bank balances	(83,881)	(16,182)
Cash and bank balances at the beginning of the period	365,507	230,630
Cash and bank balances at the end of the period	281,626	214,448

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

	Group		Company	
	3 months ended		3 months ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Profit (loss) for the period	39,351	61,788	(523)	8
Other comprehensive income:				
Exchange difference arising on translation to presentation currency	20,131	808	–	–
Total comprehensive income (expense) for the period	59,482	62,596	(523)	8
Total comprehensive income (expense) attributable to:				
Equity holders of the Company	57,984	61,918	(523)	8
Minority interests	1,498	678	–	–
	59,482	62,596	(523)	8

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 equity holders of the Company								
	Issued capital *HK$'000*	Share premium *HK$'000*	Capital reserves *HK$'000*	Proposed dividend *HK$'000*	Currency translation reserves *HK$'000*	Accumulated profits *HK$'000*	Total *HK$'000*	Minority interests *HK$'000*	Total equity *HK$'000*
Group									
Third quarter 2010 ("Q3 2010")									
Balance at July 1, 2010	560,200	296,573	6,275	7,225	316,147	1,297,914	2,484,334	26,429	2,510,763
Total comprehensive income for the period	–	–	–	–	19,846	38,138	57,984	1,498	59,482
Interim dividend paid	–	–	–	(7,225)	–	–	(7,225)	–	(7,225)
Balance at September 30, 2010	560,200	296,573	6,275	–	335,993	1,336,052	2,535,093	27,927	2,563,020
Third quarter 2009 ("Q3 2009")									
Balance at July 1, 2009	560,200	296,573	6,275	–	296,925	1,092,715	2,252,688	22,674	2,275,362
Total comprehensive income for the period	–	–	–	–	797	61,121	61,918	678	62,596
Balance at September 30, 2009	560,200	296,573	6,275	–	297,722	1,153,836	2,314,606	23,352	2,337,958

	Issued capital HK$'000	Share premium HK$'000	Capital reserves HK$'000	Proposed dividend HK$'000	Accu-mulated profits HK$'000	Total HK$'000
Company						
Third quarter 2010 ("Q3 2010")						
Balance at July 1, 2010	560,200	296,573	6,275	7,225	407,955	1,278,228
Total comprehensive expense for the period	–	–	–	–	(523)	(523)
Interim dividend paid	–	–	–	(7,225)	–	(7,225)
Balance at September 30, 2010	560,200	296,573	6,275	–	407,432	1,270,480
Third quarter 2009 ("Q3 2009")						
Balance at July 1, 2009	560,200	296,573	6,275	–	422,789	1,285,837
Total comprehensive income for the period	–	–	–	–	8	8
Balance at September 30, 2009	560,200	296,573	6,275	–	422,797	1,285,845

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, 2010.

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, 2010 *'000*	As at December 31, 2009 *'000*	As at September 30, 2010 *HK$'000*	As at December 31, 2009 *HK$'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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the audited financial statements for the year ended December 31, 2009.

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.

Not applicable.

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, 2010 to September 30, 2010	3 months from July 1, 2009 to September 30, 2009
Based on the weighted average number of ordinary shares in issue	5.28 HK cents	8.46 HK cents
On a fully diluted basis	5.28 HK cents	8.46 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, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Net asset value per ordinary share based on issued share capital at the end of the period reported on	350.88 HK cents	326.49 HK cents	175.84 HK cents	178.03 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 Group") for the third quarter of 2010 ("Q3 2010"). Backed by demand recovery of electronic products in China and other emerging market, the Group's turnover increased 52% to HK$1,255 million against the same period last year. However, affected by slower demand from IT sectors, business sentiment for electronic products supply chain softened in Q3 2010 against second quarter 2010 ("Q2 2010"). As laminates customers made inventory adjustment in May and June this year, copper inventory with relatively high input cost carried forward from Q2 2010 was consumed in Q3 2010. While, the average selling price in Q3 2010 remained relatively stable. The gross profit margin was down to 5.5% (Q3 2009: 10.5%). Net profit attributable to shareholders in Q3 2010 was HK$38 million, representing a decline of 38% year-on-year basis.

Laminate and printed circuit boards division of our parent group including Elec and Eltek maintained steady order momentum in Q3 2010. Meanwhile sales to external customers accounted for 9% of total sales (Q3 2009: 13%). In terms of product mix, 18-micron and below thickness copper foil accounted for 28% of the total sales (Q3 2009: 31%) while 35-micron and above thickness copper foil accounted for 72% (Q3 2009: 69%).

Our financial position continued to be good. As at September 30, 2010, net current assets and current ratio were approximately HK$1,273 million and 4.7 respectively. Current assets mainly comprised cash and bank balances of HK$282 million, trade and other receivables and prepayments of HK$369 million and bills receivables of HK$254 million. Inventories increased by around 13% to HK$708 million as compared with December 31, 2009 as a result of higher copper cost in Q3 2010.

Distribution cost in Q3 2010 increased 53% to approximately HK$14 million against same period last year, in line with higher shipment volume and transportation cost. Finance cost decreased 53% to HK$0.2 million primarily due to lower interest costs and reduced level of bank borrowings. Bank borrowings, largely consisted of short-term trust receipt loans, were mainly used as working capital.

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.

Market price of copper rebounded and reached above US$8,000 per tonne in October 2010. Therefore, average selling price of copper foil products will probably be higher in current quarter than previous quarter. Despite recent uncertainty in global economy and high volatility of commodity prices, emerging markets economy especially China is expected to show sustained growth in the long term. Better living standard in China is likely to raise the demand for electronic products. We believe the demand of copper foil products will continue to grow in the long run. The Group will continue to enhance our competitiveness by expanding product mix and making production efficiency improvements.

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, 2010.

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.

Total annual dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year *HK$'000*	**Previous Full Year** *HK$'000*
Ordinary	–	–
Preference	–	–
Total	–	–

Not applicable.

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

Aggregate value of interested person transactions entered from July 1, 2010 to September 30, 2010.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	HK$'000	*HK$'000*
Chung Shun Laminates (MCO) Limited	287	882,313
Kingboard Laminates (Kunshan) Company Limited	–	63,015
Kingboard Laminates (Jiangmen) Company Limited	–	59,023
Kunshan Yattao Chemical Co. Ltd.	–	29,707
Techwise (MCO) Circuits Limited	–	8,438
Huizhou Chung Shun Chemical Co., Ltd.	–	2,502
Nanjing Elec & Eltek Electronic Company Limited	–	207
Guangzhou Elec & Eltek High Density Interconnect Technology No. 1 Co., Ltd.	–	11,925
Guangzhou Elec & Eltek Microvia Technology Co., Ltd.	–	4,222
Elec & Eltek (MCO) Limited	–	16,807
Shenzhen Pacific Insulating Material Co., Ltd.	–	25,700
Kaiping Pacific Insulating Material Co., Ltd.	–	32,351
Kai Ping Elec & Eltek Company Limited	–	5,788
Kaiping Elec & Eltek No. 3 Company Limited	–	8,088
Total	287	1,150,086

Note: All the above named companies are subsidiaries of Kingboard Chemical Holdings Limited, which is listed on the main board of The Stock Exchange of Hong Kong Limited and is the ultimate holding company of Kingboard Copper Foil Holdings Limited.

Confirmation By the Board

We, CHAN WING KWAN 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 2010 financial results to be false or misleading in all material aspects.

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

Chan Wing Kwan *Managing Director*	**Cheung Kwok Ping** *Director"*

BY ORDER OF THE BOARD **Kingboard Chemical Holdings Limited** **Chan Wing Kwan** *Managing Director*	BY ORDER OF THE BOARD **Kingboard Laminates Holdings Limited** **Cheung Kwok Keung** *Managing Director*

Hong Kong, November 2, 2010

As at the date of this announcement, the board of directors ("Board") of Kingboard Chemical consists of Messrs. Cheung Kwok Wing, Chan Wing Kwan, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie and Mok Cham Hung, Chadwick, being the executive directors, and Messrs. Lai Chung Wing, Robert, Cheng Wai Chee, Christopher, Tse Kam Hung and Henry Tan, being the independent non-executive directors.

As at the date of this announcement, the Board of Kingboard Laminates consists of Messrs. Cheung Kwok Wa, Cheung Kwok Keung, Cheung Kwok Ping, Lam Ka Po, Cheung Ka Ho, Chan Sau Chi, Liu Min and Zhou Pei Feng, being the executive directors, Mr. Lo Ka Leong, being the non-executive director, and Messrs. Chan Charnwut Bernard, Chan Yue Kwong, Michael, Leung Tai Chiu and Mok Yiu Keung, Peter, being the independent non-executive directors.