

For immediate release

**KINGBOARD CHEMICAL HOLDINGS LIMITED**  
*invests HK\$900 million to expand glass fabric and glass yarn capacities in Qingyuan*  
**in a bid to strengthen its global lead in laminates output**

**Qingyuan, April 23, 2017** – Kingboard Chemical Holdings Limited (00148.HK) announces an expansion programme for its glass fabric and glass yarn facilities in Qingyuan, Guangdong Province. A foundation ceremony was held in Qingyuan on April 20, 2017.

The new facilities, scheduled for commissioning by the end of 2017, will enable the Group to increase its monthly glass fabric capacity from 39 million metres to 49 million metres; and monthly glass yarn capacity from 9,000 tonnes to 12,200 tonnes. Total investment will amount to approximately HK\$900 million. This expansion will help fill the supply gap in upstream materials for the Group, supporting it to meet its target of increasing laminates output by 10% in 2017.

The Group has been ranked as the world's top laminates producer for more than ten consecutive years. This achievement is attributable to the Group's strong and comprehensive vertical integration business model. As a result of undersupply, market prices of glass fabric and other upstream materials rose significantly during the year, leading to several price increases for laminates; the division's profit margin thus grew significantly.

The laminates segment's turnover (including inter-segment sales) increased by 8% to HK\$13,923.1 million in 2016, while earnings before interest, tax, depreciation and amortisation ("EBITDA") increased substantially by 32% to HK\$3,093.0 million.

Mr. Paul Cheung Kwok Wing, Chairman of the Group, noted: "Looking ahead to 2017, the tight supply of upstream materials and laminates is unlikely to improve over the short term owing to the lengthy process involved in capacity expansion. Thus there is room for upward price adjustments in those products. In view of the strong market demand and considering further supply-demand dynamics in the market, our laminates division plans to expand its capacity for glass fabric and other upstream materials, as well as that for laminates."

The Group reported an outstanding performance for the financial year ended 31 December 2016. Group revenue rose by 9% to HK\$35,830.3 million in 2016, registering an underlying net profit (excluding non-recurring items) of HK\$3,283.5 million, a substantial increase of 89%. The Group's reported net profit surged 205% to HK\$5,026.8 million.

**About Kingboard Chemical Holdings**

Kingboard Chemical Holdings Limited (00148.HK) is a global leader in laminates and printed circuit boards as well as a major chemical supplier in China. The Group's core manufacturing capability comprises an integrated network of more than 60 plants in China. It also holds a portfolio of property development projects and investment properties. The Kingboard Group of companies includes Kingboard Laminates Holdings Limited (01888.HK), Elec & Eltek International Company Limited (01151.HK & E16:SES) and Kingboard Copper Foil Holdings Limited (K14:SES).

**Photo Downloads**



Kingboard Chemical Chairman Paul Cheung Kwok Wing (middle), Kingboard Laminates Chairman Philip Cheung Kwok Wa (left) and Kingboard Chemical Executive Director Eric Cheung Ka Shing (right).

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Kingboard Chemical Chairman Paul Cheung Kwok Wing (third from left on front row)

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Kingboard Chemical Chairman Paul Cheung Kwok Wing (second from left) and Kingboard Laminates Chairman Philip Cheung Kwok Wa (third from left)

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Kingboard Chemical Chairman Paul Cheung Kwok Wing.  
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Kingboard Chemical Chairman Paul Cheung Kwok Wing.  
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