

**建滔集團有限公司****KINGBOARD HOLDINGS LIMITED**

Stock Code 股份代號 : 148

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*For immediate release***KINGBOARD HOLDINGS LIMITED****9% revenue growth amid COVID-19 in 1H2020****Interim dividend of HK\$0.28 declared****Financial Highlights**

	Six months ended 30 June		Change
	2020	2019	
	HK\$'million	HK\$'million	
Revenue	19,925.6	18,246.4	+9%
EBITDA	3,479.2	3,505.6	-1%
Net profit attributable to owners of the Company	1,059.2	1,441.6	-27%
Basic earnings per share	HK\$0.964	HK\$1.331	-28%
Interim dividend per share	HK\$0.28	HK\$0.28	-
Net asset value per share	HK\$44.7	HK\$44.9	-
Net gearing	25%	37%	

Hong Kong, August 28, 2020 – Kingboard Holdings Limited (00148.HK) (the “Company”) and its subsidiaries (the “Group”) today announced a satisfactory performance for the six months ended 30 June 2020 (the “Period”). During the Period, the Group was able to drive production resumption at all factories in time to seize the opportunities of market revival and property segment obtained a handsome sales performance. The Group achieve a 9% year-on-year revenue growth to HK\$19,925.6 million. Profit attributable to the owners of the Company decreased by 27% to HK\$1,059.2 million. The Board has proposed an interim dividend of HK\$0.28 per share.

Kingboard Holdings Chairman Mr. Paul Cheung Kwok Wing said: “Heading into the second half of the year, macro changes in the international climate such as the Sino-US trade dispute and the paradigm shift in the industry will mean more complex internal and external environments for the Group. Premised on a vertically integrated supply chain, the Group stays committed to pursuing a business portfolio diversification strategy. We set our sights on achieving stable performance and sustainable growth. Demand in the electronics industry chain, including the automotive sector, will drive growth of our laminates and PCB segments. Output volume of laminates exceeded 12 million square meters both in June and July of 2020. Recently, the price of some upstream materials has increased, and the copper foil was in short supply. It is expected that the prices of laminates and copper foil products have room for upward adjustment.”

Laminates

The Group maintained its position as the world’s top laminates producer for the fifteenth consecutive year. During the Period, despite a slide in market demands, especially from overseas, as a result of the pandemic, the division took full advantage of its vertically integrated production capability to ensure adequate product supply at the time of market rejuvenation, thereby enabling it to tap into the domestic market. Because of a fall in product unit price,

segment revenue (including inter-segment sales) was down by 6% to HK\$6,685.9 million, but earnings before interest, tax, depreciation and amortisation (“EBIDTA”) still saw a 7% increase to HK\$1,365.6 million on the back of sound cost management.

The division is planning to increase the capacities of copper foil and glass epoxy laminates (“FR4”), by 900 tonnes and 480,000 square metres per month respectively. In fully exploiting the competitive advantage of such upstream materials as copper foil, glass yarn and glass fabric, the Group will continue to strengthen its core competencies in laminates. In a further step, it will seek accreditation from customers to drive the sales of high value-added products. The division will upgrade its product portfolio according to market changes, expand customer coverage on the back of cost advantages, and further its value-adding abilities based on scale.

Printed Circuit Boards

The performance of the printed circuit board (“PCB”) division was generally similar to that of the laminates division. But as the demand for distant work arrangements rose abruptly, orders for such electronic products as computers and video-conferencing facilities increased markedly, demand for medical and related equipment has also increased significantly, offsetting the reduction of certain overseas orders. At the same time, the division’s development towards advanced PCBs harvested fruitful results, leading to a quick enhancement of its product mix for an increased profit margin. The turnover of the PCB division fell slightly by 2% to HK\$4,271.6 million, while EBIDTA grew by 7% to HK\$606.2 million.

5G network and artificial intelligence are prime examples of the accelerating development of new technologies. The ever-expanding reach of electronic products will bring huge growth potential to the Group’s PCB business. Currently, the PCB division collects solid gains from aspects such as base station infrastructure, servers, computers and home appliances. The division will focus on boosting product performance and improving operating mechanisms. The division will devise a master plan for bolstering the brands under the Group, namely Elec & Eltek, Techwise and Express Electronics, thus building up a network of Kingboard PCBs for higher market penetration. Elec & Eltek International Company Limited (“E&E”), a subsidiary of the Company listed on the main board of the SGX-ST and the main board of the Stock Exchange, has been in the process of a proposed privatization by way of voluntary conditional cash offer. As at the closing of the Offer which took place on 6 August 2020, the Company (through its wholly-owned subsidiaries) owned an aggregate holding of approximately 98.32% in E&E.

Chemicals

The chemicals business was dragged down by a slowdown in economic activities and a plunge in petroleum prices. The selling price of key chemical products declined compared to the same period last year. Hence the chemicals division’s turnover (including inter-segment sales) dropped 22% to HK\$5,124.0 million. EBIDTA also decreased by 32% to HK\$476.5 million.

The mainland economy is displaying strong resilience and positive signs of recovery. The establishment of ecological infrastructure, and the battle to fight air, water and soil pollution, will remain as the country’s priorities in 2020. The chemicals segment will spare no effort in making sure production safety and emission standards are met, and will take steps to reduce energy consumption through enhancing plant efficiency and improving resources utilisation.

Property

Regarding the property business, the partial booking of income from the Kau To project in Shatin, Hong Kong, together with the booking of completed and delivered units in Eastern China, has led to a surge in the turnover from property sales to HK\$4,329.7 million. Affected by the

pandemic, rental income decreased by a modest 5% to HK\$528.2 million. On the whole, division turnover increased by 442% to HK\$4,857.9 million, with EBIDTA up by 229% to HK\$1,908.4 million.

The division will continue with the scheduled sales of its residential projects in Eastern China, with the aim of speeding up capital recovery. The Group is also actively mapping out a plan to promote its residential project in Hong Kong, and is confident that the project will continue to yield considerable returns.

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About Kingboard Holdings Limited

Kingboard 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) and Elec & Eltek International Company Limited.

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