

For immediate release

## KINGBOARD LAMINATES HOLDINGS LIMITED

Reported net profit increases significantly by 243% to HK\$4.3 billion in FY2016  
Declares final dividend of HK18.5 cents and special final dividend of HK30.0 cents per share

### Financial Highlights

	FY2016 HK\$'million	FY2015 HK\$'million	Change
<b>Revenue</b>	<b>15,531.7</b>	12,769.7	<b>+22%</b>
<b>EBITDA*</b>	<b>3,230.6</b>	2,346.8	<b>+38%</b>
<b>Profit before tax*</b>	<b>2,503.3</b>	1,486.5	<b>+68%</b>
<b>Net profit attributable to owners of the Company</b>			
- Underlying net profit*	<b>1,947.2</b>	1,211.5	<b>+61%</b>
- Reported net profit	<b>4,346.6</b>	1,265.4	<b>+243%</b>
<b>Earnings per share</b>			
- Based on underlying net profit*	<b>HK64.9 cents</b>	HK40.4 cents	<b>+61%</b>
- Based on reported net profit	<b>HK144.9 cents</b>	HK42.2 cents	<b>+243%</b>
<b>Full-year dividend per share</b>	<b>HK112.0 cents</b>	HK17.7 cents	<b>+533%</b>
- Interim dividend per share	<b>HK13.5 cents</b>	HK6.4 cents	<b>+111%</b>
- Proposed final dividend per share	<b>HK18.5 cents</b>	HK11.3 cents	<b>+64%</b>
- Special interim dividend per share	<b>HK50.0 cents</b>	-	<b>N/A</b>
- Proposed special final dividend per share	<b>HK30.0 cents</b>	-	<b>N/A</b>
<b>Net asset value per share</b>	<b>HK\$4.80</b>	HK\$4.39	<b>+9%</b>
	<b>Net Cash 1,750.5</b>	Net gearing 15%	

\*Excluding:

FY2016: Gain on fair value changes of investment properties of HK\$7.1 million, gain on disposal of a subsidiary of HK\$2,121.2 million and income from relocation compensation of HK\$271.1 million.

FY2015: Gain on fair value changes of investment properties of HK\$68.4 million and impairment loss recognised on available-for-sale investments of HK\$14.5 million.

**Hong Kong, March 24, 2017** –The world's largest laminate manufacturer Kingboard Laminates Holdings Limited (the "Company") (01888.HK) and its subsidiaries (the "Group") announced outstanding results for the year ended 31 December 2016. The Group recorded a 22% increase in revenue to HK\$15,531.7 million. Underlying net profit (excluding non-recurring items) rose significantly by 61% to HK\$1,947.2 million. The redevelopment project in respect of a site in Shenzhen, Guangdong Province, originally designated for use by the Group's production plant, was approved by government authorities. During the year, the subsidiary which held the project was disposed of for a consideration of HK\$2,386.2 million, driving the Group's reported net profit to increase more than threefold to HK\$4,346.6 million.

The Company declared a final dividend of HK18.5 cents per share with a special final dividend of HK30.0 cents per share. Together with the interim dividend of HK13.5 cents per share and special interim dividend of HK50.0 cents per share, this will constitute a total dividend of HK112.0 cents per share for the full year.

Benefitting from the upgrades in automobile electronics, smart home appliances and the wide application of light-emitting-diode (“LED”) products, overall demand for laminates was robust during the year. Prices of glass fabric and other upstream materials rose substantially due to tight supply, thereby driving laminates selling prices to increase further.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “As a world-leading laminates manufacturer, the Group has made multi-year investments in expanding upstream capacity, resulting in a strong and comprehensive vertically integrated supply chain. Thus, while the Group’s competitors were cutting back on production due to shortages of upstream materials, the Group was able to expand its production and sales on the back of its vertical advantage. As a result, the Group was able to achieve a major breakthrough in both selling price and shipment volume.”

### **Laminates**

In the second half of 2016, the Group implemented multiple price increases of laminates in line with the price changes in upstream materials and the supply-demand dynamics of laminates market. Benefitting from the increase in the average selling price, the Group’s gross profit margin was lifted to 22% from last year’s 17%. During the year, the Group achieved an average monthly shipment volume of 10.8 million square metres, up 12% from the previous year. Composite epoxy material laminates (“CEM”) and glass epoxy laminates (“FR4”) contributed an aggregate revenue of HK\$8,750.5 million, accounting for 56% of Group revenue. Paper laminates generated revenue of HK\$2,029.0 million, representing 13% of the total.

Looking ahead to 2017, the tight supply of upstream materials is unlikely to improve significantly due to the lengthy process involved in capacity expansion. It is therefore expected that the undersupply of laminates will continue. The Group’s facilities for laminates and upstream material production are currently nearing full capacity but still unable to meet the strong market demand. Thus there is room for upward price adjustments in those products.

In view of these market conditions, management plans to increase the capacity of both upstream materials and laminates, as well as to expand external sales proportion of upstream materials. This expansion programme will boost monthly capacity of glass yarn by 36% to 12,200 tonnes, glass fabric by 18% to 46.2 million metres and CEM and FR4 laminates by 10% to 6.6 million sheets.

The Group’s development of PVB business has also made breakthroughs following the successful self-development of PVB film with sound insulation function. Looking forward, the Group will expand sales of PVB film in vehicle glass and construction-use curtain wall markets.

### **Property**

Driven by the partial booking of pre-sales from Kunshan Development Zone Kingboard Yu Garden Phase 3 and Jiangyin Kingboard Yu Garden Phase 1, the property division recorded revenue of HK\$1,779.0 million, representing 11% of total Group revenue.

The Group will actively schedule the pre-sales of residential projects in Kunshan, Jiangsu Province, in accordance with the prevailing domestic market circumstances in Mainland China. Continued booking of sales from property projects are expected for this year. The Group currently has no plan to increase its land bank, but will strive to develop and sell its existing projects in order to expedite the realisation of the cash returns on property business.

**About Kingboard Laminates Holdings**

Kingboard Laminates Holdings Limited (01888.HK) is a leading vertically-integrated electronics materials manufacturer, specializing in the production of laminates, a fundamental material ultimately used for the production of all kinds of electronic products. The Company is the global leader in rigid laminates, with a strategic network of more than 20 manufacturing facilities in the PRC.

**Press enquiries:**

t6.communications limited, Jenny Lee or Veronica Yum

tel : (852)2511 8388 / fax : (852)2511 8238

email : kb@t6pr.com / url : www.t6pr.com