

For immediate release

**KINGBOARD LAMINATES HOLDINGS LIMITED**  
**Laminates sales picked up in 2H 2019 with momentum continuing into 1H 2020**  
**A final dividend of HK30.0 cents, with special final dividend HK40.0 cents declared**

**Financial Highlights**

	<b>FY2019</b> <i>HK\$'million</i>	<b>FY2018</b> <i>HK\$'million</i>	<b>Change</b>
<b>Revenue</b>	<b>18,384.0</b>	20,645.8	<b>-11%</b>
<b>EBITDA*</b>	<b>4,142.8</b>	5,120.0	<b>-19%</b>
<b>Profit before tax</b>	<b>3,408.2</b>	4,415.5	<b>-23%</b>
<b>Net profit attributable to owners of the Company</b>			
- Underlying net profit*	<b>2,493.3</b>	3,190.1	<b>-22%</b>
- Reported net profit	<b>2,402.2</b>	3,250.4	<b>-26%</b>
<b>Earnings per share</b>			
- Based on underlying net profit*	<b>HK80.9 cents</b>	HK103.5 cents	<b>-22%</b>
- Based on reported net profit	<b>HK78.0 cents</b>	HK105.5 cents	<b>-26%</b>
<b>Interim dividend per share</b>	<b>HK10.0 cents</b>	HK17.5 cents	<b>-43%</b>
<b>Proposed final dividend per share</b>	<b>HK30.0 cents</b>	HK35.0 cents	<b>-14%</b>
<b>Proposed special final dividend per share</b>	<b>HK40.0 cents</b>		<b>N/A</b>
<b>Net asset value per share</b>	<b>HK\$6.07</b>	HK\$5.68	<b>+7%</b>
<b>Net gearing ratio</b>	<b>0%</b>	11%	

\* Excluding:  
FY2019: Gain on fair value changes of investment properties of HK\$5.6 million and share-based payments of HK\$96.6 million.  
FY2018: Gain on fair value changes of investment properties of HK\$91.1 million and writing off of property, plant and equipment of HK\$30.8 million.

**Hong Kong, March 23, 2020** – The world’s largest laminates manufacturer Kingboard Laminates Holdings Limited (the “Company”) (01888.HK) and its subsidiaries (the “Group”) achieved satisfactory results for the financial year ended 31 December 2019. The Group reported a 11% decrease in annual revenue to HK\$18,384.0 million in 2019. Underlying net profit (excluding non-recurring items) decreased by 22% to HK\$2,493.3 million. In view of the Group’s sturdy and healthy financial situation, the Board has proposed a final dividend of HK30.0 cents per share with a special final dividend of HK40.0 cents per share.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “Stepping into 2020, the Group’s laminates orders carry the momentum from the latter part of 2019. The Group’s upstream plants were able to maintain uninterrupted production during the Spring Festival. As the coronavirus epidemic comes under control in mainland China, all factories have resumed work and have gradually restored to full production capacity. We maintain a prudently optimistic outlook for 2020.”

**Laminates**

During the year, demand increased continuously in some emerging sectors, such as those in relation to 5G

communications. However, this growth was not sufficient to offset the impacts that the Sino-US trade friction had on the market. With the management's astute market intelligence, the Group's laminates segment has been able to reinforce penetration into existing customers through an active pricing strategy, while on the other hand it seeks to enhance the market shares of advanced and high value-adding products such as thin, high-frequency and high-speed and halogen-free laminates, supporting us in our venture into new market areas. With this two-pronged strategy, the Group was able to achieve remarkable results and a strong rebound in the second half of 2019. As laminates sales entered on a growth track, profitability of the segment has improved. By virtue of an immaculate vertical supply chain and operational efficiency, the laminates segment continued to maintain its status in the market as a global leader.

In 2019, the Group had a monthly average output volume of laminates totalling 10.6 million square metres, a 10% increase from 2018. However, as product prices did not start to pick up until nearly the end of the year, the average selling price of products was lower than that in 2018. Revenue of the laminates segment reduced by 3% to HK\$16,236.9 million. Earnings of the segment before interest, taxes, depreciation and amortisation ("EBITDA") went down by 20% to HK\$2,713.8 million.

The Group's management maintains a prudently optimistic outlook for 2020. Global upgrades in telecommunications technologies have popularised cloud data centres, signal transceiver stations and intelligent application terminals, in turn stimulating a continuous increase in demand for laminates. At the same time, as the emergence of 5G telecommunication, autonomous driving, telemedicine, big data artificial intelligence and high-quality audio-visual entertainment requires low latency and highly reliable processing, the performance of laminates will need to be upgraded. In the face of the "quantitative" and "qualitative" paradigm shifts, the Group has planned ahead in terms of product capacity and performance. With regard to the former, the additional monthly capacity of 1,200 tonnes of copper foil in Lianzhou, Guangdong Province, will become fully operational during the first half of this year. Plans are also in the pipeline for Shaoguan in the same province to engage in a total of three more phases of laminates projects, the first of which will see a monthly output of 400,000 sheets of laminates within the first half of 2020. On the product performance front, the Group's state-level laminates research and development laboratory in Shenzhen, Guangdong Province, will speed up in full force the upgrades of products such as thin, high-frequency and high-speed, halogen-free laminates. In the meantime, the Group will strive to enhance the quality of upstream materials. Efforts include raising the precision parameters of glass yarn, increasing the glass fabric splitting ratio, and developing high-frequency functionalities of its copper foil. The Group is looking to devote more research and development efforts into the setting up of smart factories, so as to drive capability advancement through technologies. With the deployment of smart factory technologies, the Group seeks to reduce costs while enhancing efficiency, paving a new way towards sustainable growth in the long run.

### **Property**

The Group continued to execute its development strategy with a focus on the laminates business. The property segment did not launch any new projects during the period and was primarily engaged in the sales of remaining units of completed projects. Segment revenue amounted to HK\$1,711.3 million, a decline of 53% compared with that of 2018, with EBITDA down by 40% to HK\$927.1 million.

### **About Kingboard Laminates Holdings**

Kingboard Laminates Holdings Limited (01888.HK) is a leading vertically-integrated electronic materials manufacturer, specialising in the production of laminates, a fundamental material of printed circuit boards which 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.

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