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KINGBOARD LAMINATES HOLDINGS LIMITED
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For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED

Underlying profit up 11% in 2020 as laminates shipments reached record high
A final dividend of HK35 cents, with special final dividend HK15 cents declared

Financial Highlights

	FY2020 *HK$'million*	FY2019 *HK$'million*	Change
Revenue	**17,301.2**	18,384.0	**-6%**
EBITDA*	**4,307.3**	4,142.8	**+4%**
Profit before tax	**3,635.8**	3,408.2	**+7%**
Net profit attributable to owners of the Company			
- Underlying net profit*	**2,776.0**	2,493.3	**+11%**
- Reported net profit	**2,802.9**	2,402.2	**+17%**
Earnings per share			
- Based on underlying net profit*	**HK89.8 cents**	HK80.9 cents	**+11%**
- Based on reported net profit	**HK90.6 cents**	HK78.0 cents	**+16%**
Full-year dividend per share	**HK250.0 cents**	HK80.0 cents	**+213%**
-Interim dividend per share	**HK10.0 cents**	HK10.0 cents	**-**
-Special interim dividend per share	**HK190.0 cents**	-	**N/A**
-Proposed final dividend per share	**HK35.0 cents**	HK30.0 cents	**+17%**
-Proposed special final dividend per share	**HK15.0 cents**	HK40.0 cents	**-63%**
Net asset value per share	**HK$4.59**	HK$6.07	**-24%**
	Net Cash 3,756.1	Net gearing 0%	

* Excluding:
FY2020: Loss on fair value changes of investment properties of HK$0.7 million and gain on disposal of a subsidiary with amount of HK$27.6 million
FY2019: Gain on fair value changes of investment properties of HK$5.6 million and share-based payments of HK$96.6 million.

Hong Kong, March 22, 2021 – The world's largest laminates manufacturer Kingboard Laminates Holdings Limited (the "Company") (01888.HK) and its subsidiaries (the "Group") achieved strong results for the financial year ended 31 December 2020. The Group reported a 6% decrease in revenue to HK$17,301.2 million in 2020, mainly as a result of the drop in property sales. However, driven by strong laminates earnings growth, underlying net profit (excluding non-recurring items) soared 11% to HK$2,776.0 million. In view of the Group's sturdy and healthy financial situation, the Board has proposed a final dividend of HK35 cents per share with a special final dividend of HK15 cents per share.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: "Based on our advantage of a vertically integrated supply chain, the Group, on the one hand, rapidly enhanced the utilisation of its production capacity, and, on the other, steadily adjusted product prices upward. These simultaneous actions brought remarkable outcomes. Laminates monthly shipments marked a new all-time high, while this business segment's profitability was also on track for strong growth."

Laminates going into new development phase

During the period under review, the Laminates Division held tight to the pulse of market demand, in order to strengthen its penetration into existing customers and to expand into new market areas. It also sought to expand market share for advanced and high-value-adding products such as thin laminates and their high-frequency, high-speed and halogen-free counterparts. The Group accomplished a desirable increase in output volume, which stood at an average of 1,150 million square meters per month over the entire year. Owing to a surge in demand in the second half for upstream materials like copper foil, epoxy resin, glass yarn and glass fabric, shortages of supply were witnessed to varying degrees. Increases in material prices drove up those of laminates. In command of a vertically integrated supply chain, the Group was self-sufficient in all upstream materials, thereby fully enjoying the benefits of price rises in upstream materials and laminates.

Price increases, along with cost control, helped bring a surge in the segment's profit margins. Revenue of the Laminates Division was up by 1% to HK$16,367.8 million, with earnings before interest, taxes, depreciation and amortisation ("EBITDA") also increasing 43% to HK$3,869.6 million.

According to preliminary unaudited operating data, the Group's turnover in the first two months increased significantly compared with the same period last year, and its profit was several times that of the same period last year. The management expects that the business growth momentum will remain strong throughout the year. Moving into 2021, the electronics industry will continue to prosper, with pent-up demand in overseas markets beginning to be unleashed. Supply will grow increasingly tense within the laminates sector, rendering the competitive edge of the Group's vertically integrated supply chain more pronounced. Laminates orders currently carry powerful momentum from the second half of 2020. The Group's facilities have been operating at full capacity to meet the market demand. As the Group continues to maintain reliable quality and delivery, it will be able to win more customers while enjoying pricing power for its laminates products.

As 5G is introduced into the commercial arena, along with upgrades in the smart operation of cars, and the return of renewal demand for home appliances, the laminates industry will enter a new growth cycle. Against the background of a demand upswing, the Group also plans to go into a new development stage where both production capacity and functionality are emphasized. With regard to the former, 800,000 sheets of monthly laminates capacity will be added to facilities in Shaoguan City, Guangdong Province. New facilities will be established in Lianzhou City and Fogang County, Guangdong Province, to add a monthly capacity of 350 tonnes of copper foil to the current output. The Group will also expedite the construction of new plants for glass yarn and glass fabric, with the objective of launching trial production within this year. In terms of product quality, the Group will accelerate upgrades of products like thin laminates and high-frequency, high-speed and halogen-free offerings. The Group also joins hands with customers to broaden the accreditations of high-end products. The demonstration of technology-driven momentum will help realise cost reduction and efficiency enhancement, paving the way for long-term sustainable growth.

Property

The Group continued to focus on the development of the laminates business. The Property Division was mainly engaged in the sales of remaining units, recording partial recognition of sales of the Huaqiao Kingboard Yu Garden Phases 4 and 5 in Eastern China during the period under review. Segment revenue amounted to HK$796.2 million, a decline of 53%. EBITDA went down by 60% to HK$371.8 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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