



建滔積層板控股有限公司

KINGBOARD LAMINATES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

2/F, HARBOUR VIEW 1, NO. 12 SCIENCE PARK EAST AVENUE,
PHASE 2 HONG KONG SCIENCE PARK, SHATIN, N.T.

TEL: 2605 6493

FAX: 2691 5245, 2691 0445

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED

Capturing market rebound to achieve 35% net earnings growth in 1H2016 Interim and special dividends aggregate to HK63.5 cents

Financial Highlights

	Six months ended 30 June		Change
	2016	2015	
	HK\$'million	HK\$'million	
Revenue	7,522.9	6,559.7	+15%
EBITDA	1,403.8	1,218.0	+15%
Profit before tax	1,030.3	777.8	+32%
Net profit attributable to owners of the Company	840.2	621.1	+35%
Earnings per share	HK28.0 cents	HK20.7 cents	+35%
Interim dividend per share	HK13.5 cents	HK6.4 cents	+111%
Interim dividend payout ratio	48%	31%	
Special dividend per share	HK50.0 cents	-	N/A
Net asset value per share	HK\$4.45	HK\$4.57	-3%
Net gearing ratio	7%	20%	

Hong Kong, August 15, 2016 – The world’s largest laminates manufacturer Kingboard Laminates Holdings Limited (the “Company”) (01888.HK) and its subsidiaries (the “Group”) today announced satisfactory results for the six months ended 30 June 2016 (the “Period”). The Group’s revenue surged by 15% year on year to HK\$7,522.9 million. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) also grew 15% from the same period last year to HK\$1,403.8 million with a significant growth of 35% in net profit attributable to owners of the Company to HK\$840.2 million posted. The Board has resolved to declare an interim dividend of HK13.5 cents per share, up 111% compared with the same period last year; and a special dividend of HK50.0 cents per share.

As quoted in a recent report by Prismark Partners LLC, the Group has been ranked the world’s top laminates producer for eleven consecutive years, with the Group’s market share in the global laminates market increasing from 13.5% to 14% in 2015.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “During the Period, the electronics market exhibited steady growth. Leveraging a vertically integrated production platform, we were able to comprehensively capture the market rebound to gear up laminates sales and to increase its production of high-performance laminates. We also succeeded in increasing the profit margin for our laminates business. Besides, the partial booking of sales from Kunshan Development Zone Kingboard Yu Garden Phase 3 gave a strong boost to the Group’s profit.”

Demand for automobile and telecommunications network equipment showed strong growth momentum. The laminates market has thus entered a healthy upward trend against a notable slowdown in supply. The Group’s total shipment volume of laminates during the first half of the year went up by 3% to average monthly shipments of 9.85 million square metres. Composite epoxy material (“CEM”) laminates and

glass epoxy laminates (“FR4”) in aggregate contributed 51% of the Group’s revenue during the first half of 2016, whereas paper laminates sales accounted for 12%.

Due to the notable decrease in raw material prices, the Group has lowered the selling prices of laminates. Along with depreciation of Renminbi, the laminates segment recorded a segment turnover of HK\$5,955.8 million, down by 8%. But benefiting from the market rebound, profit margin of laminates segment broadened. EBITDA increased 2% year on year to HK\$1,202.9 million.

Satisfactory pre-sale progress was witnessed in property segment. With partial recognition of pre-sales, segment turnover of the property division increased to HK\$1,567.1 million with EBITDA of HK\$222.1 million.

The demand-supply dynamics of the laminates market have evidently improved after years of intense competition. At the onset of the second half of 2016, the prices of laminate-related upstream materials, such as copper foil, glass yarn and glass fabric, increased due to the shortage of supply. Thus, the Group will raise the price of laminates correspondingly. The Group has captured this market opening to increase capacities for thin and halogen-free laminates, as well as LED-related laminates. The Group has also made efforts to enhance its operational efficiency and to expand market share.

The PVB business team has successfully developed a third-generation PVB film with sound insulation function. This product commands industry-leading technology and functions and will help the Group tap into the segments, including high-end automobile glass and curtain wall for construction use. Responding to keen demand for battery-use copper foils from electric-car manufacturers, the Group has expanded research efforts in related technologies. The Group aims to develop thinner battery-use copper foils that boast better functionalities than current mainstream products and increase capacity correspondingly.

Property pre-sales proceeded smoothly during the first six months, generating substantial cash flow for the Group. Project launches will continue as planned in the second half of the year. With the consecutive completions of residential properties for sale, including the project in Kunshan, Jiangsu Province, the Group looks forward to sustain sales contributions from the division in future. The redevelopment project in Shenzhen, Guangdong Province was disposed of in May 2016, with the gain from the disposal to be booked in the second half of the year.

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About Kingboard Laminates Holdings Limited

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