

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED
Net profit grew 139% in 1H2017 on significant price increases and expanding margin
Interim dividend of HK32.6 cents declared

Financial Highlights

	Six months ended 30 June		Change
	2017	2016	
	HK\$'million	HK\$'million	
Revenue	9,035.5	7,522.9	+20%
EBITDA	2,826.6	1,403.8	+101%
Profit before tax	2,505.7	1,030.3	+143%
Net profit attributable to owners of the Company	2,009.0	840.2	+139%
Basic earnings per share	HK65.2 cents	HK28.0 cents	+133%
Interim dividend per share	HK32.6 cents	HK13.5 cents	+141%
Dividend payout ratio	50%	48%	
Special interim dividend per share	-	HK50.0 cents	N/A
Net asset value per share	HK\$5.23	HK\$4.45	+18%
	Net cash 1,363.4	Net gearing 7%	

Hong Kong, August 18, 2017 – The world’s largest laminates manufacturer Kingboard Laminates Holdings Limited (01888.HK) (the “Company”) and its subsidiaries (the “Group”) today announced robust results for the six months ended 30 June 2017 (the “Period”). The Group’s revenue surged by 20% year on year to HK\$9,035.5 million. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) also grew significantly 101% from the same period last year to HK\$2,826.6 million. Net profit attributable to owners of the Company went up significantly by 139% year on year to HK\$2,009 million. The Board has declared an interim dividend of HK32.6 cents per share, up 141% compared with the same period last year.

According to the latest report by Prismark Partners LLC, the Group has been ranked as the world’s top laminates producer for the twelfth consecutive year, with the Group’s market share in the global laminates market of 14%.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “Telecommunications equipment, automobile and consumer electronics exhibited growth during the Period. As a result of the subsequent laminates demand growth, there was a shortage of laminates and their upstream materials, including copper foil, glass yarn and glass fabric. This has led to significant price increases across products in the laminates division and thus an expanding profit margin.”

Laminates

During the Period, a shortage in the supply of glass yarn and glass fabric led to a decline in the Group’s laminates output and thus shipment volume. Laminates shipment volume dropped 8% during the first half of the year to average monthly shipments of 9.09 million square metres. Of these, composite epoxy material (“CEM”) laminates and glass epoxy laminates (“FR4”) in aggregate contributed 54% of the

Group's revenue, whereas paper laminates sales accounted for 10%. However, as material shortages have pushed up laminates prices, segment turnover of the laminates division increased 24% to HK\$7,363.6 million despite the volume drop. The division's EBITDA was up 98% to HK\$2,379.1 million.

Entering the second half of the year, the market did not witness any evident capacity expansion starting to ramp up for copper foil, glass yarn and glass fabric. Shortage of supply thus continues. Demand for laminates grows steadily as the market enters its peak season. The Group has once again raised product prices, and expects further room for price increases in the future. Increasing investments in research and development have yielded satisfactory results for the Group. Sales of thin, halogen-free laminates, high temperature resistance and other high value-added laminates continue to be on the upward trend. As the Group enhances product portfolio, it will be able to expand its market share while raising returns from sales.

Capacity expansion for laminates, glass yarn and glass fabric proceeds as scheduled, and new capacity will start to ramp up before the end of this year. Additional capacities for glass yarn and glass fabric will help alleviate the Group's material shortage problem. At the same time, it will help boost external sales and add momentum to the Group's broad-based turnover growth. Besides, through collaboration with a number of globally renowned battery producers, the Group is contributing to joint research efforts into more economically efficient battery-use copper foil. The Group will expand capacity of this product line as and when appropriate.

Property

The partial booking of sales of Kunshan Development Zone Kingboard Yu Garden Phase 2 and 3, Jiangyin Kingboard Yu Garden Phase 1 and Huaqiao Kingboard Yu Garden Phase 4 contributed a segment turnover of HK\$1,671.9 million for the property division with EBITDA of HK\$447.5 million.

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About Kingboard Laminates Holdings Limited

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.

Press enquiries:

t6.communications limited, Jenny Lee or Sharon Poon

tel: (852)2511 8388 / fax: (852)2511 8238 / email: kb@t6pr.com