

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED
Further growth in laminates shipments during 1H 2018
Interim dividend of HK17.5 cents declared

Financial Highlights

	Six months ended 30 June		Change
	2018	2017	
	HK\$'million	HK\$'million	
Revenue	9,601.3	9,035.5	+6%
EBITDA	2,536.4	2,826.6	-10%
Profit before tax	2,183.4	2,505.7	-13%
Net profit attributable to owners of the Company	1,778.6	2,009.0	-11%
Earnings per share	HK57.7 cents	HK65.2 cents	-11%
Interim dividend per share	HK17.5 cents	HK32.6 cents	-46%
Net asset value per share	HK\$5.62	HK\$5.23	+7%
	Net gearing 6%	Net cash 1,363.4	

Hong Kong, August 24, 2018 – The world’s largest laminates manufacturer Kingboard Laminates Holdings Limited (01888.HK) (the “Company”) and its subsidiaries (the “Group”) today announced satisfactory results for the six months ended 30 June 2018 (the “Period”). The Group’s revenue amounted to HK\$9,601.3 million, an increase of 6% compared to the same period last year. Net profit attributable to owners of the Company dropped by 11% to HK\$1,778.6 million owing to cost inflation throughout the Period. The Board has resolved an interim dividend of HK17.5 cents per share.

According to the latest report by Prismark Partners LLC (independent third-party consultant), the Group has been ranked as the world’s top laminates producer for the thirteenth consecutive year, with a global market share of 14%.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “Growth in the electronics sector moderated slightly as a result of the Sino-US trade war, but laminates demand continued to demonstrate strong momentum driven by automobile electronics and light-emitting diode (“LED”) products. Faced with intense competition, our advantage based on our vertically integrated production model has become even more evident, and has provided a strong driver for business growth.”

Laminates

Both paper and glass epoxy laminates (“FR4”) recorded output growth during the Period, bringing overall monthly shipments up by 5% to 9.56 million square metres. Turnover of the laminates division increased 22% to HK\$8,962.8 million. However, the increase in the selling price of laminates was not able to fully offset the cost inflation of raw materials. The division’s earnings before interest, tax, depreciation and amortisation (“EBITDA”) therefore declined by 6% to HK\$2,232.5 million.

Capacity optimisation of the laminates facilities in Jiangmen, Guangdong Province has been completed and helped raise its monthly output by 120,000 square metres. New glass yarn and glass fabric capacities have also been fully commissioned, recording strong external sales. These new capacities also ensured adequate in-house supply in support of an expanded production scale for FR4.

As the peak season in the second half of the year arrives, the Group has begun to adjust its product prices upward. It is anticipated that there will be further room for increases in the selling prices. The Group's new laminates facilities in Thailand will be commissioned in the second half of the year, adding a monthly capacity of 360,000 square metres of laminates to the Group's output. This additional output will be designated mainly for overseas sales. The Group will focus on the expansion of high-value-added thin, halogen-free and high-temperature resistant laminates, and will step up efforts to upgrade its product portfolio in order to stay relevant to market demand changes. The Group looks forward to maintaining growth momentum through these market-driven developments.

Property

The property division recorded partial booking of sales of Kunshan Development Zone Kingboard Yu Garden Phase 2, Huaqiao Kingboard Yu Garden Phase 4, and Jiangyin Kingboard Yu Garden. As the development of the property projects moves to completion consecutively, and with no further addition to the land bank in line with the Group's strategy, segment turnover declined by 62% to HK\$638.5 million. EBITDA decreased 32% subsequently to HK\$303.9 million.

The residential projects in Kunshan, Jiangsu Province will be launched for sale as planned, with related work progressing smoothly. The Group currently does not intend to increase its land bank. With the subsequent decrease in construction expenses, the property division will continue to generate net cash inflow.

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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 are 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 mainly in the PRC.

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