

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED
Maintained stable laminates output amid COVID-19 in 1H2020
Interim dividend of HK\$0.10 and special interim dividend of HK\$1.90 declared

Financial Highlights

	Six months ended 30 June		Change
	2020	2019	
	HK\$'million	HK\$'million	
Revenue	6,807.6	7,631.2	-11%
EBITDA	1,360.5	1,683.1	-19%
Profit before tax	1,041.7	1,334.7	-22%
Net profit attributable to owners of the Company	732.8	1,082.1	-32%
Earnings per share	HK\$0.238	HK\$0.351	-32%
Interim dividend per share	HK\$0.10	HK\$0.10	-
Special Interim dividend per share	HK\$1.90	-	N/A
Net asset value per share	HK\$5.54	HK\$5.86	-5%
	Net cash 1,540.8	Net gearing 14%	

Hong Kong, August 28, 2020 – 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 2020 (the “Period”) despite unfavourable external factors. The Group’s revenue was down 11% year on year to HK\$6,807.6 million along with a 32% decrease in profit attributable to the owners of the Company to HK\$732.8 million. On consideration of the Group’s robust financial position, the Board declared an interim dividend of HK\$0.10 per share and a special interim dividend of HK\$1.90 per share to give back to the shareholders.

According to the latest research report of Prismark Partners LLC, the Group is ranked as the world’s top laminates producer for the fifteenth consecutive year, with a global market share of 16% in the year of 2019.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “Owing to the COVID-19 pandemic, the mainland electronics industry entered a temporary period of demand vacuum following a suspension of production activities. Overseas sales channels also contracted on the spread of the disease. However, the Group drove work and production resumption in an orderly manner amid the pandemic, seizing the opportunities of domestic demand growth for computers and 5G-related electronic products, which helped minimise the adverse impacts brought about by the pandemic. Output volume of laminates during exceeded 12 million square meters both in June and July 2020. Recently, the price of some upstream materials has increased, and the copper foil was in short supply. It is expected that the prices of laminates and copper foil products have room for upward adjustment.”

Laminates

During the Period, despite a slide in market demand for laminates as a result of the pandemic, the laminates division proactively stepped up coordinated efforts to prevent infection while securing production. As the pandemic was gradually brought under control in Mainland China, the Group reverted to full production, expanded sales coverage and actively adapted to the changes in demand, in a bid to mitigate the losses incurred by the pandemic. The laminates division reported a slight drop of 5% in revenue to HK\$6,602.3 million. Meanwhile, the Group took full advantage of its vertically integrated production model as an effective means to further trim down on costs and enhance profit margin while continuing to safeguard product supply. Hence, EBITDA rose by 9% to HK\$1,349.8 million. Output volume during the Period was comparable to that of last year, with its monthly average amounting to 9.5 million square metres.

Looking forward to the second half of the year, China will continue to give impetus to its new infrastructure strategy and strengthen the construction and blueprint of its 5G network. In addition, the epidemic situation in some European countries has been brought under control with economic activities restarted. Increase in demand in the electronics industry chain, including the automotive industry, will drive business volume growth for the Group's laminates division. The Group, as a leading supplier of base materials for electronic appliances, will seek to extend its portfolio of laminates products in accordance with market trends. The Group's high-quality development is sturdily based on a vertically integrated supply chain, continuous strengthening of core competencies, and steady revenue growth.

During the first half of the year, the Group has increased its monthly copper foil capacities in Lianzhou, Guangdong Province by 300 tonnes. Plans are in the pipeline for a further increase of 900 tonnes per month in the second half. The newly built laminates plant in Shaoguan, Guangdong Province will soon complete trial production before gradually moving towards stable production, which will see an additional 480,000 square metres of glass epoxy laminates manufactured per month.

Property

The Group continued to execute a development strategy centred around the laminates business, while the property segment was engaged primarily in selling the remaining units in hand during the Period. Segment revenue slipped by 67% to HK\$133.7 million, whilst EBIDTA fell by 67% to HK\$63.6 million.

For the residential project in Kunshan, Jiangsu Province, China, the Group is carrying out sales as planned, and is currently making good progress. At present, the Group has no intention of further land-banking and will concentrate on completing the existing real estate projects.

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