

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED

**Reports 358% earnings growth in 1H2021
Interim dividend of HK\$0.30 declared**

Financial Highlights

	Six months ended 30 June		Change
	2021	2020	
	HK\$'million	HK\$'million	
Revenue	13,920.0	6,807.6	+105%
EBITDA	4,477.6	1,360.5	+229%
Profit before tax	4,111.4	1,041.7	+295%
Net profit attributable to owners of the Company	3,356.5	732.8	+358%
Earnings per share	HK\$1.076	HK\$0.238	+352%
Interim dividend per share	HK\$0.30	HK\$0.10	+200%
Special Interim dividend per share	-	HK\$1.90	N/A
Net asset value per share	HK\$5.25	HK\$5.54	-5%
	Net Gearing 10%	Net Cash 1,540.8	

Hong Kong, August 30, 2021 – Kingboard Laminates Holdings Limited (01888.HK) (the “Company”) and its subsidiaries (the “Group”) today announced doubled revenue and multi-fold earnings growth for the six months ended 30 June 2021 (the “Period”). The Group’s revenue surged 105% year on year to HK\$13,920.0 million, along with a 358% increase in profit attributable to the owners of the Company to HK\$3,356.5 million. An interim dividend of HK\$0.30 per share was declared.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “During the Period, the pace of global economic recovery accelerated, fuelling a strong rebound in electronic consumables which helped drive demand growth for the laminates industry. Sales of computers and servers remained robust on the back of increased application for distance work and online meetings. Home appliances also recorded a significant surge in sales with increased stay-home time. For the automotive industry, growth was led by the new energy vehicle segment and smart upgrades to cars. The Group captured these market opportunities to generate strong growth in laminates sales, while fully unlocking the potential of its vertical production model to significantly lift profit margins.”

Laminates on high and sustainable growth track

The Laminates Division was able to overcome multiple challenges brought by the pandemic, high temperatures and power shortage, and achieved extremely high levels of facilities utilization in response to strong market demand for laminates. Output volume grew 33% over the same period last year to a total of 64 million sheets. Capturing the opportunities arising from the industry growth, the division has made successful forays into new segments and achieved progress in its product mix enhancement. The Period witnessed a substantial increase in the proportionate sales of high-end and high-value-added products, including thin laminates for portable devices, lead-free and halogen-free laminates that meet stringent environmental standards, as well as high CTI (Comparative Tracking Index) laminates with extensive

adaptability. At the same time, the supply of copper foil, glass yarn, glass fabric and epoxy resin on the upstream was tightened by strong demand, leading to multiple price increases and thus lifting the prices of laminates further. Leveraging on its vertical chain, the division was able to enjoy the premiums from price increases of both the upstream materials and its laminates products, thereby driving a rapid expansion of its profit margin. Revenue of the Laminates Division was up by 109% to HK\$13,820.2 million, with earnings before interest, taxes, depreciation and amortisation (“EBITDA”) surging 223% to HK\$4,363.6 million.

Entering the second half, the electronics industry has continued to thrive with hot demand for electronic consumables. New growth drivers also emerge from the new energy vehicle and mini-LED segments. Demand for laminates continues to rise steadily. Global development of the green economy is driving demand for new energy batteries and wind power equipment, which will add external momentum to the demand for copper foil and epoxy resin while driving price increases. Overall, the price of laminates will be lifted by these multi-fold factors.

In view of this, the Group is accelerating its capacity investments. The newly completed laminates plant in Shaoguan, Guangdong Province has been fully commissioned and is operating smoothly, adding a monthly capacity of 1.2 million sheets of glass epoxy laminates. The Group will continue to expand its capacities for upstream materials from the second half to early next year, in order to strengthen its vertical competence and to help it stretch to clients’ extended markets. New monthly capacities of 1,800 tonnes of copper foil, 4,000 tonnes of glass yarn and 5 million metres of glass fabric are in the planning pipeline.

A new wave of a diversified portfolio of electronic products is set to arrive, following the deployment of 5G and proliferation of new energy vehicles. The Group will leverage its technology lead to expedite product portfolio enhancement to meet market demands. With the collaboration of the marketing, research and development, and production teams, the glass epoxy laminates segment has gained client recognition for its lead-free, halogen-free thin laminates and high-frequency, high-speed laminates. The Group believes it is able to further expand its market share in this segment. On the other hand, the Group will upgrade some of the existing facilities of paper laminates with a view to capturing the demand for products with strong cost performance. It is further expected that external sales of upstream materials would continuously grow as their facilities gradually come on stream. To this end, the Group targets to expand the proportionate sales of prepreg (PP) made from glass fabric and epoxy resin. The Group’s products are interrelated and complementary to each other. With this product portfolio, the Group looks forward to capturing the upside of the market transformation, broadening its coverage, and achieving high growth while maintaining sustainable development on its green and cost-effective foundation.

Property Division continues to focus on completing existing projects

During the Period, the Property Division was focused on completing its existing projects. Pre-sales performance was satisfactory, but with a decrease in the handover of units, revenue booked to the Period also dropped. Segment revenue declined 51% to HK\$65.0 million, whilst EBITDA fell by 49% to HK\$32.3 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.

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