

For immediate release

**KINGBOARD LAMINATES HOLDINGS LIMITED**  
**Declares an interim dividend of HK15 cents**  
**HK\$7 billion sustainability-linked loan received strong support from 14 banks**

**Financial Highlights**

	Six months ended 30 June		Change
	2022	2021	
	HK\$'million	HK\$'million	
<b>Revenue</b>	13,176.0	13,920.0	-5%
<b>EBITDA*</b>	3,305.4	4,477.6	-26%
<b>Profit before tax*</b>	2,867.6	4,111.4	-30%
<b>Net profit attributable to owners of the Company</b>			
- Underlying net profit*	1,873.9	3,356.5	-44%
- Reported net profit	1,825.9	3,356.5	-46%
<b>Basic earnings per share</b>			
- Based on underlying net profit*	HK60.1 cents	HK107.6 cents	-44%
- Based on reported net profit	HK58.5 cents	HK107.6 cents	-46%
<b>Interim dividend per share</b>	HK15.0 cents	HK30.0 cents	-50%
<b>Net asset value per share</b>	HK\$5.26	HK\$5.25	-
	Net Cash 1,151.7	Net Gearing 10%	

\*Excluding

From 1 January 2022 to 30 June 2022, share-based payments of HK\$48 million (From 1 January 2021 to 30 June 2021: Nil).

**Hong Kong, 29 August 2022** – The world’s largest laminates manufacturer Kingboard Laminates Holdings Limited (the “Company”) (01888.HK) and its subsidiaries (the “Group”) announced that in the six months ended 30 June 2022, the Group’s revenue decreased 5% year on year to HK\$13,176 million, along with a 44% decrease in underlying net profit attributable to owners of the Company (excluding non-recurring items) to HK\$1,873.9 million. On consideration of the Group’s robust financial position, the Board has resolved to declare an interim dividend of HK15 cents per share.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa, Philip said: “The Group’s market share has continued to grow, with its share of the global laminates market increasing 3% to 18% in 2021, compared with 2020, according to independent third-party consultancy Prismark Partners LLC’s latest research report. This report validates the Group’s increasing advantage built on a vertically integrated business chain.”

During the Period, the Group successfully signed a 5-year sustainability-linked loan facility agreement with 14 major international and local banks. “The syndicated facility received an overwhelming response from the market and was significantly oversubscribed. The final size of the loan came to HK\$7 billion, reflecting our efforts towards our sustainability goals, as well as the banking industry’s trust and support of the Group’s environmental, social and governance (ESG) work,” added Mr Cheung.

As laminates and other upstream materials fell short in supply last year, the majority of industry players implemented expansion plans to different degrees to sharply increase the market supply. However, the geopolitical conflicts including Russia-Ukraine war, pandemic lingering in China, especially in Shanghai, and global high inflation posed considerable negative impacts for the electronics industry during the Period. Both sales and unit prices of the Group's laminates recorded a downshift. Nevertheless, with a vertically integrated supply chain, large customer network and outstanding cost control, the Group's Laminates Division recorded satisfactory results amid weak market conditions and high costs. An increase in the handover of residential properties helped drive up the revenue of the Property Division. At the same time, the Group made a provision of HK\$181.7 million for credit impairment of the bond investments it held during the Period.

### **Laminates Division expects gradual demand rebound towards second half**

The electronics industry experienced a slide in demand during the Period, leading to a 24% decline in shipment volume compared with the same period last year. Monthly shipment volume dropped to 8 million sheets. Segment revenue declined 25% to HK\$10,420 million, while earnings before interest, taxes, depreciation and amortisation ("EBITDA") were down 49% to HK\$2,218.9 million.

The Laminates Division achieved satisfactory progress with its product portfolio enhancement efforts as it actively developed new market arenas. A significant increase in the share of sales of high-end and high-value-added products was witnessed. This high-end product portfolio included thin laminates for portable devices, lead-free and halogen-free laminates with high environmental compliance, fire-resistant laminates with broad compatibility, and high-frequency and high-speed laminates with low loss and high transmission speed.

Some downstream customers maintained strict control of their inventories during the first half of the year, but as inventories have come down to lower levels, it is expected that demand will rebound gradually towards the coming second half as customers begin planning to increase orders.

The new laminates facility in Shaoguan, Guangdong Province, is already fully operational, helping the Group improve its coverage in various geographical areas. The Group will also broaden its portfolio of laminates, with its main focus on high-quality products. To this end, the Group will expedite the upgrade of products including thin, fire-resistant, high-frequency, high-speed, lead-free and halogen-free laminates. Collaborating with premium customers, the Group will seek to expand the certification of its products by end-user customers.

During the first half of the year, the Group added monthly capacities of 4,200 tonnes of glass yarn and 300 tonnes of copper foil in Lianzhou, Guangdong Province. In Shaoguan, Guangdong Province, the glass fabric facility with a monthly capacity of 9 million metres has already entered operation, and is planning to add 4 million metres of glass fabric capacity per month during the second half. These efforts will drive the Group's external sales of upstream materials to increase earnings, in addition to coping with internal business needs. Echoing the state's call for energy savings and emissions reduction, the Group is establishing solar photovoltaic power projects within its facilities in stages. It is expected that these projects will be able to recoup their costs within five years, while continuing to bring long-term benefits to the Group.

### **Property Division revenue went up on increased property handover**

As the Group continued to focus on the development of its laminates business, the Property Division was mainly engaged in the sales of the remaining units. Segment revenue jumped 41 times to HK\$2,729.9

million during the Period as a result of increased handover of residential properties. EBITDA also surged 41 times to HK\$1,363.5 million.

**About Kingboard Laminates Holdings**

Kingboard Laminates Holdings Limited (01888.HK) is the world's top laminates producer for seventeen consecutive years.

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Press enquiries: t6.communications limited, Jenny Lee or Ryan Chan or Yuki Law  
tel: +852 2511 8388 / email: kb@t6pr.com