

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED

Declares an interim dividend of HK6 cents
Laminate shipments return to grow in second half

Financial Highlights

	Six months ended 30 June		Change
	2023	2022	
	HK\$'million	HK\$'million	
Revenue	8,109.9	13,176.0	-38%
EBITDA*	1,163.1	3,305.4	-65%
Profit before tax*	567.3	2,867.6	-80%
Net profit attributable to owners of the Company			
- Underlying net profit*	422.2	1,873.9	-77%
- Reported net profit	422.2	1,825.9	-77%
Basic earnings per share			
- Based on underlying net profit*	HK13.5 cents	HK60.1 cents	-78%
- Based on reported net profit	HK13.5 cents	HK58.5 cents	-77%
Interim dividend per share	HK6.0 cents	HK15.0 cents	-60%
Net asset value per share	HK\$4.49	HK\$5.26	-15%
	Net Gearing 18%	Net Cash 1,151.7	

*Excluding

Share-based payment of HK\$48 million from 1 January 2022 to 30 June 2022 (from 1 January 2023 to 30 June 2023: Nil).

Hong Kong, 28 August 2023 – 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 2023, the Group’s revenue decreased by 38% to HK\$8,109.9million year on year. There was a 77% decline in underlying profit attributable to the owners of the Company (excluding non-recurring items) to HK\$422.2 million. On consideration of the Group’s robust financial position, an interim dividend of HK6.0 cents per share was declared.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa, Philip said: “Entering the second half of the year, a gradual resumption of consumer confidence is leading to a return to growth in shipments. After a downward cycle of more than a year, the inventories of printed circuit board makers and end-user customers have substantially cleared up. It is anticipated that the laminates market will gradually stabilise and rebound, owing to multiple factors, including the rise of export orders, the rapid growth of new energy vehicles and its peripheral products like charging stations, the growing adoption of photovoltaic and other clean energy sources and artificial intelligence.”

Laminates Division set to grow shipments and improve gross profit margin in 2H

Segment revenue of the Laminates Division declined 24% to HK\$7,914.7 million. With initiatives to offset the impact of cost inflation, earnings before interest, taxes, depreciation and amortisation (“EBITDA”) were down 48% to HK\$1,160.0 million.

During the Period, the electronics industry faced a decline in demand which resulted in an 8% decrease in shipment volume year on year. Monthly shipment volume dropped to 7.4 million sheets. Despite this challenging market condition, the Laminates Division made satisfactory progress with its product portfolio enhancement efforts as it actively pursued new market arenas. There was a significant rise in the share of sales attributed to high-end and high-value-added products.

Prices of laminate raw materials have been consistently dropping during this market downturn. While this trend has put tremendous price pressure on the Group's inventory, it is worth noting that almost all raw materials used in laminates, save for copper, had now reached extremely low price points. This is set to improve the Group's gross profit margin in the second half of the year.

All business units remain steadfast in their commitment to upholding high quality standards while maintaining effective cost controls. It is also anticipated that the years of research and development invested by the Group will gradually yield positive results and deliver high-quality growth. Moving forward, the division will continue to collaborate with premium customers, working together towards the certification of high-end products.

The Group added 450 tonnes of copper foil monthly capacities in Lianzhou, Guangdong Province during the first half of the year. An additional 300 tonnes per month will be added over the second half. The Group's upstream materials have gained wide recognition from external customers, and this expansion plan will drive increased external upstream sales and earnings, while also meeting internal business needs. The Group also has plans to expand its laminates monthly capacities in Thailand by 400,000 sheets to address the development pace.

In alignment with the state's call for energy savings and emissions reduction, the Group is adopting a professional and systematic approach to establish distributed solar photovoltaics within its facilities. This initiative demonstrates the Group's commitment to achieving its environment, social, and governance (ESG) goals and is expected to yield long-term benefits for the Group.

Property Division continues to focus on sales of remaining residential units

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. As the number of remaining saleable units diminished, segment revenue dropped by 94% to HK\$164.2 million. EBITDA also decreased by 95% to HK\$67.8 million.

About Kingboard Laminates Holdings

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

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