

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED
Reports 72% net profit growth and 16% increase in laminates shipment in 1H 2024
Interim dividend of HK12 cents per share declared

Financial Highlights

	Six months ended 30 June		Change
	2024	2023	
	HK\$'million	HK\$'million	
Revenue	8,638.2	8,109.9	+7%
EBITDA	1,569.7	1,163.1	+35%
Profit before tax	957.5	567.3	+69%
Net profit attributable to owners of the Company	727.8	422.2	+72%
Basic earnings per share	HK23.3 cents	HK13.5 cents	+73%
Interim dividend per share	HK12.0 cents	HK6.0 cents	+100%
Net asset value per share	HK\$4.88	HK\$4.49	+9%
Net gearing	17%	18%	

Hong Kong, 26 August 2024 – The world’s largest laminates manufacturer Kingboard Laminates Holdings Limited (the “Company”) (01888.HK) and its subsidiaries (the “Group”) reported the interim results for the six months ended 30 June 2024 (the “Period”). During the Period, the Group’s revenue increased by 7% to HK\$8,638.2 million compared to the same period last year, yielding a net profit attributable to owners of the Company of HK\$727.8 million, an increase of 72%. On the basis of a healthy financial position, an interim dividend of HK12.0 cents was declared.

During 2023, competition in the laminates market intensified as the electronics industry recorded relatively high inventory levels in its end-user and upstream-to-downstream segments, with the decline in electronics demand coinciding with an excess capacity in the laminates industry following an overall expansion of capacity over the previous two years. After bottoming out, the electronics industry entered a new growth cycle during the Period, driven by the rapid development of the artificial intelligence (AI) and automotive electronics sectors. Improved demand forecasts from downstream clients have also prompted active stockpiling in various sectors.

During the Period, there was a notable growth in demand from the traditional consumer electronics market, particularly for air conditioners and photovoltaic panels. The demand for laminates was also helped by the rapid development of the AI industry and the increased integration of electronic and smart applications in the automotive sector. Monthly shipments during the Period amounted to 8.6 million sheets, an increase of 16% compared with the same period last year. The Laminates Division proactively expanded into new market areas, and further augmented the sales volume of high-end and high-value-added products. Segment revenue thus increased by 8% to HK\$8,525.2 million. Despite a significant increase in copper prices during the Period, the segment successfully raised product prices to more than offset the cost pressure, thereby achieving an improvement in gross profit margin. Earnings before interest, taxes, depreciation and amortisation (“EBITDA”) increased by 35% to HK\$1,568.0 million.

A succession of favourable policies aimed at boosting demand for electronic products, such as promoting the replacement of consumer goods like vehicles and home appliances, have been introduced by the central government. In addition, increased electronic and smart applications in automobiles, the rapid development of the AI industry, and the continuous upgrading of high-speed networks have all contributed to stimulating demand and have become the main growth drivers for laminates. Benefiting from the advantages of vertical integration and economies of scale, the Group's product pricing has become extremely competitive, and its gross profit margin is among the highest in the industry, making it much more resilient.

In terms of capacity growth, the Group has plans to expand its monthly laminates capacities in Thailand by 400,000 sheets in the second half to address the overseas business development needs of both external clients and the PCBs business under Kingboard Holdings Limited.

Aligned with the national objectives of achieving energy savings and reduction in carbon emissions, the Group is adopting a professional and systematic approach in establishing distributed solar photovoltaics in all buildable area within its facilities. Following a cumulative investment of **HK\$420 million** up to 30 June 2024, the Group successfully generated 37 million kWh of **green electricity** during the first half of 2024, resulting in energy savings equivalent to 10,000 tonnes of standard coal or a reduction in carbon dioxide emissions of 22,000 tonnes. This initiative translates to electricity bill savings of HK\$33.3 million during the Period based on the market tariff. Coupled with cumulative expenses savings of HK\$90 million as at 31 December 2023, cumulative expenses savings of more than **HK\$123 million** had been achieved by 30 June 2024.

In addition, up to 30 June 2024, the Group's investments in **thermal energy recovery** equipment totalled **HK\$80 million**. These investments resulted in a reduction in carbon dioxide emissions of 18,500 tonnes during the first half of 2024, which is equivalent to energy savings of 7,500 tonnes of standard coal and expenses savings totalling HK\$40 million. Coupled with cumulative expenses savings of HK\$230 million as at 31 December 2023, cumulative expenses savings of more than **HK\$270 million** had been achieved by 30 June 2024.

Investments in green electricity will aggregate to approximately HK\$600 million by 31 December 2024, with an anticipated annual production of 130 million kWh of green electricity from the coming year onwards. Based on the market tariff, this translates to annual electricity bill savings of HK\$117 million.

Kingboard Laminates Chairman Mr Philip Cheung Kwok Wa said: "We are confident in our future development. The Group's laminates products have already garnered a stronger customer base through their consistent quality and reliable delivery. As always, we will continue to exert our best efforts to maximise returns for shareholders."

About Kingboard Laminates Holdings

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

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