

For immediate release

KINGBOARD HOLDINGS LIMITED

Achieves record full-year results for 2021, net profit broke through HK\$10 billion milestone
Final dividend of HK244 cents proposed

Financial Highlights

	Year ended 31 December		Change
	2021	2020	
	HK\$'million	HK\$'million	
Revenue	56,755.3	43,510.3	+30%
EBITDA*	17,559.9	10,059.2	+75%
Net profit attributable to owners of the Company			
- Underlying net profit*	10,565.4	4,685.8	+125%
- Reported net profit	10,778.0	4,702.9	+129%
Basic earnings per share			
- Based on underlying net profit*	HK\$9.537	HK\$4.241	+125%
- Based on reported net profit	HK\$9.729	HK\$4.257	+129%
Dividend per share for the year	HK300 cents	HK228 cents	+32%
- Interim dividend per share	HK56 cents	HK28 cents	+100%
- Proposed final dividend per share	HK244 cents	HK100 cents	+144%
- Special final dividend per share	-	HK100 cents	N/A
Net asset value per share	HK\$56.8	HK\$50.5	+12%
Net gearing	19%	18%	

*Excluding:

- (1) Gain on fair value changes of investment properties with gross amount of HK\$14.4 million, net amount of HK\$10.8 million after share of non-controlling shareholders and deferred tax (2020: Loss on fair value changes of investment properties with gross amount of HK\$5.4 million, net amount of HK\$5.2 million after share of non-controlling shareholders and deferred tax).
- (2) Gain on disposal of a subsidiary with gross amount of HK\$224.2 million, net amount of HK\$201.8 million after tax (2020: Gain on disposal of subsidiaries with gross amount of HK\$29.8 million, net amount of HK\$22.4 million after share of non-controlling shareholders and tax).

Hong Kong, 18 March 2022 – Kingboard Holdings Limited (00148.HK) (the “Company”) and its subsidiaries (the “Group”) today announced the best set of annual results on record for the year ended 31 December 2021 (the ‘Period’). Reported net profit attributable to the shareholders of the Company broke through the milestone of HK\$10,000 million and reached HK\$10,778 million. Revenue rose 30% to HK\$56,755.3 million, posting an underlying net profit (excluding non-recurring items) of HK\$10,565.4 million, up significantly by 125%. The Board has proposed a final dividend of HK244 cents per share.

Kingboard Holdings Chairman Mr. Paul Cheung Kwok Wing said: “We are full of confidence in the Group’s 2022 development. We will build further upon our competitive advantages of a diversified and synergistic business portfolio and a vertically integrated production model to put each division into a new growth chapter. The management team will remain committed to upgrading our research and development capabilities, safe production, and environmental friendliness. We will also maintain stringent cash flow management to build a healthier balance sheet, as we proactively expand our market share. The Group sees opportunities everywhere and an unlimited potential for development to come.”

Laminates Division shipments rose to an all-time record

Laminates segment revenue (including inter-segment sales) shot up by 76% to HK\$29,205.7 million. Earnings before interest, taxes, depreciation and amortisation (“EBITDA”) surged by 132% to HK\$9,063.8 million.

In possession of a sound vertical production model, the Laminates Division leads the industry in terms of scale and technology. During the Period, consumer electronics blossomed and orders for laminates remained at a high level with a total of 124 million sheets sold, up 6 million sheets from 2020 and an all-time record. Under a demand pull, the Group’s upstream materials experienced shortages to varying degrees, driving multiple price increases for materials and subsequently for laminates. The Group enjoyed in-house upstream capability for copper foil, glass yarn, glass fabric and epoxy resins, thus allowing it to achieve marked increase in margin.

The laminates plant in Shaoguan, Guangdong Province has been fully commissioned, adding a monthly capacity of 1.2 million sheets of glass epoxy laminates (FR4) and helped increase the proportionate sales of high-value-added laminates. The Group will expand upstream capacities in 2022. The plan is to add monthly capacities of 1,500 tonnes of copper foil, 4,200 tonnes of glass yarn and 13 million metres of glass fabric. In addition, the Group is proactively looking into the feasibility of adding capacities for laminates and upstream materials in Thailand in order to better serve its overseas clients. The Group will also make a foray into extended end-user industries like new energy batteries and package substrate, bringing new development momentum to the division.

PCBs Division sales skyrocketed to all-time high

Printed Circuit Boards (“PCBs”) segment revenue increased 29% to HK\$13,600.8 million. EBITDA surged by 5% to HK\$1,756.8 million.

The PCBs Division’s sales skyrocketed to an all-time high during the Period. Drawing on its rich experience in multi-layered PCBs and high-density inter-connected PCBs, the Group further expanded to the higher precision PCBs market, thus driving continued improvement of the average selling price. The rise in product prices not only helped transfer the cost hike in laminates, but also created room for expanded profitability.

The increasing uptake of new energy, development of the digital economy and upgrades of artificial intelligence are leading a new wave of development for PCBs. Revolving around the marketplace of 5G base stations, servers and electric vehicles, the Group’s product portfolio enhancement efforts have paid off. Future themes for development will continue to be focused on high-value-added upgrades. Emphasis will be placed on strengthening the core competencies of the various PCB brands, including Elec & Eltek, Techwise Circuits and Express Electronics. The Group will also fast-track its PCBs capacity build-up, through acquiring production equipment that caters to the consumer electronics, telecommunications and vehicle segments. The Group will bring in 1,600,000 square feet of additional capacity for multi-layered PCBs in 2022. On top of this, the Group is exploring the feasibility of expanding capacities for PCBs in Thailand.

Chemicals business continues with high-speed and low-carbon growth

Chemicals segment revenue (including inter-segment sales) shot up by 55% to HK\$16,377.3 million. EBITDA soared by 184% to HK\$4,385.8 million.

Global economic recovery has induced demand for chemicals, prompting price rises for the Group’s various chemical products. Among them, the price increase of acetic acid, caustic soda

and Bisphenol A was the most significant, contributing considerable profit growth. With highly effective management and science-based craftsmanship, as well as being equipped with industry-leading green facilities, the Group was able to maintain non-stop production on long cycles, keeping each function in high utilisation, thus resulting in high-speed growth.

The green economy has introduced new requirements and opportunities into the chemicals industry. On the back of energy saving, low-carbon and environmentally-friendly capacities, the Group will benefit from wider application of engineering-grade plastic materials used to lower the weight of new energy vehicles, as well as photovoltaic film and electric cables applied to solar power generators and wing paddles in wind turbines. These end-user products will generate demand for the division's major chemical products such as phenol acetone, acetic acid, Bisphenol A and epichlorohydrin. Thus, the Group is proactively planning for a number of large-scale chemicals projects, including a plant in Daya Bay, Huizhou, which will deliver an annual output of 450,000 tonnes of phenol acetone and 240,000 tonnes of Bisphenol A.

Property business continues to grow rental income

The Group reaped ideal results in terms of residential pre-sales, completing the Period with contracted pre-sales worth HK\$2,919 million. However, there was a drop in the number of units handed over during the Period, and Property segment revenue declined 71% to HK\$2,375 million as a result. EBITDA decreased by 57% to HK\$1,521.7 million. Within the metrics, rental income was up 8% to HK\$1,200.5 million, mainly attributable to gradually improving post-pandemic occupancy rates, as well as the commencement of leases at the commercial project neighbouring the Kunshan high-speed railway station in Jiangsu Province and Shanghai Kingboard Plaza Phase II.

The Group has had no newly added land reserve over the past four years. It will launch its residential project in eastern China for pre-sale according to schedule, in a bid to expedite capital recovery. It also expects rental income to grow steadily.

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Photo Caption:

Mr Cheung Ka Shing, Eric, Executive Director, Kingboard Holdings Limited(Left) and Mr Cheung Kwok Wing, Paul, Chairman, Kingboard Holdings Limited (Right) attend the 2021 Annual Results Press Conference.

About Kingboard Holdings Limited

Kingboard Holdings Limited (00148.HK) is a global leader in laminates and printed circuit boards as well as a major chemical supplier in China. The Group's core manufacturing capability comprises an integrated network of more than 60 plants in China. It also holds a portfolio of property development projects and investment properties.

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