

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED

Record high shipment volume and resilient results in 2013

Financial Highlights

	FY2013 <i>HK\$'million</i>	FY2012 <i>HK\$'million</i>	Change
Revenue	12,798.3	12,483.2	+3%
EBITDA*	2,185.9	2,190.1	-
Profit before tax*	1,334.0	1,374.5	-3%
Net profit attributable to owners of the Company			
- Underlying net profit*	1,148.0	1,192.9	-4%
- Reported net profit	1,207.2	1,163.9	+4%
Earnings per share			
- Based on underlying net profit*	HK38.3 cents	HK39.8 cents	-4%
- Based on reported net profit	HK40.2 cents	HK38.8 cents	+4%
Full-year dividend per share	HK17.0 cents	HK17.0 cents	-
- Interim dividend per share	HK5.0 cents	HK5.0 cents	-
- Proposed final dividend per share	HK12.0 cents	HK12.0 cents	-
Dividend payout ratio[#]	44%	43%	
Net asset value per share	HK\$4.31	HK\$3.94	+9%
Net gearing	21%	16%	

*Excluding:

2013: Gain on fair value changes of investment properties of HK\$72.1 million and share-based payments of HK\$12.9 million.

2012: Gain on fair value changes of investment properties of HK\$1.8 million and share-based payments of HK\$30.8 million.

[#] Calculated based on underlying net profit.

Hong Kong, March 21, 2014 –The world’s largest laminate manufacturer Kingboard Laminates Holdings Limited (the “Company”) (HKEx: 1888) and its subsidiaries (the “Group”) announced that for the year ended 31 December 2013, Group revenue increased by 3% to HK\$12,798 million. The Group continued to expand its Chinese domestic market penetration, and thus Renminbi (“RMB”) sales increased further to account for 59% of total revenue. The Group delivered profitable results and continued to maintain a robust balance sheet.

The board of the Company proposed a final dividend of HK12 cents per share, which together with the interim dividend of HK5 cents per share, constitutes a full-year dividend of HK17 cents, representing a payout ratio of 44%.

Capacity utilization improved in 2013. The Group achieved record highs in both production volume and shipment volume for 2013 and achieved a shipment volume of 12 million square meters in one single month. Average copper prices were lower than in 2012 and this resulted in lower average selling prices for the Group’s products. At the same time, rising operating costs impacted the Group’s operating margin.

As a result, underlying net profit (excluding non-recurring items) for the Group was down marginally by 4% to HK\$1,148 million.

Sales volume increased 12% against last year, with average monthly shipment of 9.05 million square meters. Revenue from composite epoxy material laminates (“CEM”) and glass epoxy laminates (“FR4”) accounted for 59% of Group turnover, while paper laminates sales accounted for 20% in 2013. The balance mainly comprised sales of upstream materials and others. The decline in the average selling price for laminates was offset by operational efficiency improvements and higher capacity utilization, enabling the Group to maintain its gross profit margin at 15.6%. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) (excluding non-recurring items) remained level with 2012 at around HK\$2,185.9 million.

In 2014, the Group will continue to invest in product mix enhancements to capture Chinese domestic business opportunities in order to expand our share in the market for thin and high-performance laminates and capture new growth sectors such as LED related products. In order to meet the demand from downstream capacity expansion and maintain its successful vertical integration business model, the Group plans to increase the capacity of upstream materials production. A new glass fabric plant in Lianzhou, Guangdong Province, and a new glass yarn plant in Qingyuan, Guangdong Province, will commence production in 2014.

Property investment income attributable to the Group increased substantially by more than 70% to HK\$128.3 million. Enjoying a high occupancy rate, the investment property portfolio generated steady and attractive returns for the Group. Pre-sale of residential projects has delivered excellent results. Units launched for Kunshan Development Zone Kingboard Yu Garden in the second half of 2013, have all been taken up by buyers.

In the first two months of 2014, the Group’s property business has continued to deliver good growth momentum, demonstrating high occupancy rates in investment properties. At the end of 2013, the Group owned a land bank with gross floor area of approximately 1.3 million square meters located in China at prime locations in Kunshan and Jiangyin, Jiangsu Province.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “Customer order intake showed signs of strong and stable momentum at the onset of 2014. The Chinese government is pushing ahead with economic reforms to maintain sustained and steady economic growth. Progressive urbanization aims to expand domestic consumption, which in turn will drive demand for electronic products, especially smartphones and consumer products in China. We are optimistic about the prospects for business growth in 2014.”

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About Kingboard Laminates Holdings Limited

Kingboard Laminates Holdings Limited (HKEx: 1888) is a leading vertically-integrated electronics materials manufacturer, specializing in the production of laminates, a fundamental material 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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