

For immediate release

KINGBOARD LAMINATES HOLDINGS LIMITED

Satisfactory results in 1H2015 on shipments growth and improved profit margin

Financial Highlights

	Six months ended 30 June		Change
	2015	2014	
	HK\$'million	HK\$'million	
Revenue	6,559.7	6,432.3	+2%
EBITDA	1,218.0	1,111.3	+10%
Profit before tax	777.8	689.8	+13%
Net profit attributable to owners of the Company	621.1	591.1	+5%
Basic earnings per share	HK20.7 cents	HK19.7 cents	+5%
Interim dividend per share	HK6.4 cents	HK6.0 cents	+7%
Net asset value per share	HK\$4.57	HK\$4.35	+5%
Net gearing ratio	20%	22%	

Hong Kong, August 24, 2015 – The world’s largest laminates manufacturer Kingboard Laminates Holdings Limited (the “Company”) (01888.HK) and its subsidiaries (the “Group”) today announced satisfactory results for the six months ended 30 June 2015. Group revenue increased 2% year on year to HK\$6,559.7 million. As the new capacity in the laminates sector has declined, the problem of over-capacity in the laminates market has gradually been relieved. The Group’s profit margin was consequently improved and net profit attributable to owners of the Company rose 5% year on year to HK\$621.1 million. The Board resolved to declare an interim dividend of HK6.4 cents per share, increased by 7%.

The Group has remained the leader in the global laminates market for ten consecutive years, commanding a worldwide market share of 13.5% in 2014 according to the latest reports of Prismark Partners LLC. Growth during the period was mainly led by the steady growth of the global electronics market, as well as the expedited intelligent and electronic development of the appliance and automotive sectors.

Growth of mobile phones and other portable gadgets eased off slightly during the period, but the market for high-performance laminates has demonstrated strong growth driven by innovations in the functions of telecommunications networks, growth of cloud storage equipment, and the further proliferation of smart devices. This has resulted in a 5% growth in the Group’s overall laminates shipments during the first half, aggregating to average monthly shipments of 9.55 million square metres. Composite epoxy material (“CEM”) laminates and glass epoxy laminates (“FR4”) in aggregate contributed 65% of the Group’s turnover during the first half of 2015. Paper laminates sales represented 15% of total turnover, whereas the remainder was accounted for by sales of upstream materials and other products.

Prices of copper, the main material for laminates production, have been on the downtrend during the period. However, owing to improving demand-supply conditions in the laminates market, the impact of material price declines on laminates’ average selling price was reduced. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) therefore went up 10% year on year to HK\$1,218.0 million,

while net profit also grew 5% to HK\$621.1 million. As shipments increased, distribution and administrative costs were 5% and 7% respectively higher than the same period last year.

Kingboard Laminates Chairman Mr. Cheung Kwok Wa said: “The second half of the year is the traditional peak season for electronic product sales. While the laminates market is on an upturn on the back of strong demand, the Group will commit further resources to enhancing facilities utilisation to stand prepared to capture market opportunities. We will also continue to expand the production of high-performance laminates. On the solid foundation of a vertically-integrated production set-up and with enhanced operating efficiency, the Group aims to deliver greater returns to shareholders.”

The new PVB facilities in Qingyuan, Guangdong Province, went smoothly into operation with shipments consistently expanding. The Group’s existing PVB products are used in automotive glass of various world-renowned brands, as well as curtain wall of landmark buildings in southern and eastern China. The Group plans to expand the PVB business further, in line with demand growth.

The glass fabric plant in Longhua, Shenzhen, has been relocated to new premises in Qingyuan, Guangdong Province. Meanwhile, glass fabric capacities will be increased by 12% to 37 million metres per month. The site for the Shenzhen plant will be designated for renewal development, and be converted into a mixed-use property comprising residences, shops and offices. The project is wholly owned by the Group and is planned to commence construction during the year. Competitively located, the project will yield a gross floor area of approximately 350,000 square metres.

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About Kingboard Laminates Holdings Limited

Kingboard Laminates Holdings Limited (01888.HK) 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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