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KB

KINGBOA D HOLDING LIMITED

建滔集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 148)

INTERIM FINANCIAL ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	months ended 30 June		
	2021	2020	Change
	HK\$'million	HK\$'million	
Revenue	26,701.5	19,925.6	+34%
EBITDA	8,352.6	3,479.2	+140%
Net profit attributable to owners of the Company	5,061.7	1,059.2	+378%
Basic earnings per share	HK\$4.573	HK\$0.964	+374%
Interim dividend per share	HK\$0.56	HK\$0.28	+100%
Net asset value per share	HK\$53.0	HK\$44.7	+19%
Net gearing	20%	25%	

本公司及附屬公司（以下統稱為「本集團」）在香港聯合交易所有限公司（「香港交易所」）證券及期貨條例第XVIA章下，獲准作為第1類受規管活動（證券交易）及第6類受規管活動（提供證券服務）的持牌機構，並獲准從事第7類受規管活動（期貨合約交易）及第9類受規管活動（提供資產管理）的受規管活動。本公司及附屬公司（以下統稱為「本集團」）在香港聯合交易所有限公司（「香港交易所」）證券及期貨條例第XVIA章下，獲准作為第1類受規管活動（證券交易）及第6類受規管活動（提供證券服務）的持牌機構，並獲准從事第7類受規管活動（期貨合約交易）及第9類受規管活動（提供資產管理）的受規管活動。

Consolidated Statement of Profit or Loss

		months ended 30 June	
	Notes	2021	2020
		HK\$'000	HK\$'000
		(continued)	(continued)
Revenue	3	26,701,492	19,925,648
Cost of sales		(18,011,631)	(14,924,582)
Gross profit		8,689,861	5,001,066
Selling and distribution expenses	5	116,277	68,664
Administrative expenses		(639,023)	(495,619)
Amplification expenses		(1,228,597)	(1,037,081)
Goodwill/(Intangible assets)		370,352	(1,001,730)
Goodwill impairment losses		49,133	84,557
Finance income	6	(108,078)	(287,993)
Finance expenses		41,926	39,852
Other income		51,380	(5,776)
Income before income tax		7,343,231	2,365,940
Income tax expense	7	(1,401,987)	(825,380)
Profit before income tax		5,941,244	1,540,560
Income tax credit		5,061,729	1,059,192
Net income		879,515	481,368
		5,941,244	1,540,560
		HK\$	HK\$
		(continued)	(continued)
Employee benefits expense	9	4.573	0.964
Director's remuneration		4.569	0.963

	30 June 2021 HK\$'000 (Assets)	31 December 2020 HK\$'000 (Assets)
Non-current assets		
Deferred tax assets	687,853	690,621
Borrowings	3,338,954	8,618,747
Long-term prepayments	9,311	9,792
	<u>4,036,118</u>	<u>9,319,160</u>
	<u>63,705,286</u>	<u>60,798,706</u>
Current assets		
Cash and cash equivalents	110,879	110,579
Trade receivables	58,599,762	55,754,324
	<u>58,710,641</u>	<u>55,864,903</u>
Equivalents to cash and cash equivalents	4,994,645	4,933,803
Non-current liabilities	<u>63,705,286</u>	<u>60,798,706</u>

Notes:

1. Basis of preparation

Accounts are prepared in accordance with the Hong Kong Accounting Standards (HKAS) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Accountants (HKICPA) and the Hong Kong Financial Reporting Standards (HKFRS) 16 *Leases* issued by the International Accounting Standards Board (IASB) (collectively referred to as the "Standards").

2. Principal accounting policies

The accounting policies adopted are consistent with those of the previous period.

Financial statements are prepared in Hong Kong dollars (HK\$), which is the functional currency of the Group. The accounting year ends on 31 December 2021.

Assets and liabilities are measured at fair value.

Income tax is provided for current and deferred tax. Current tax is calculated on the basis of the taxable profit for the year, after adjusting for tax losses and credits available for offset against the current year's taxable profit.

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3. Segment information – continued

	Laminates HK\$'000 ()	CBs HK\$'000 ()	Chemicals HK\$'000 ()	Apparel HK\$'000 ()	Investments HK\$'000 ()	Others HK\$'000 ()	Eliminations HK\$'000 ()	Consolidated HK\$'000 ()
months ended 30 June 2020								
Income tax								
Income tax expense	5,592,085	4,271,597	4,828,399	4,857,901	155,419	220,247		19,925,648
Income tax expense	1,093,822		295,562			4,688	(1,394,072)	
	6,685,907	4,271,597	5,123,961	4,857,901	155,419	224,935	(1,394,072)	19,925,648
Finance income								
Finance income	1,083,613	303,266	279,323	1,906,073	(761,752)	5,329		2,815,852
Finance expense								
Finance expense								35,375
Finance expense								(231,370)
Finance expense								(287,993)
Finance expense								39,852
Finance expense								(5,776)
								2,365,940

Income tax expense is calculated based on the applicable tax rates in the respective jurisdictions.

4. Depreciation

Depreciation expense for the period ended 30 June 2021 was HK\$871,284,000 (2020: HK\$799,440,000) and is included in the General and administrative expenses.

5. Other non-comparative losses

	months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	()	()
Other non-comparative losses		
Income tax expense	19,692	33,198
Income tax expense	11,311	11,791
Income tax expense	20,252	14,383
General and administrative expenses	47,963	17,284
	17,059	(7,992)
	116,277	68,664

6. Financial costs

	months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(in millions)	(in millions)
Interest on bank borrowings	139,263	311,656
Interest on other financial assets	4,722	3,375
Interest on other financial liabilities	292	234
Loss on financial assets	(5,835)	(6,059)
Loss on financial liabilities	(30,364)	(21,213)
	<u>108,078</u>	<u>287,993</u>

B. The Group's interest on bank borrowings for the period ended 30 June 2021 was HK\$4,722,000 (2020: HK\$3,375,000). The Group's interest on other financial assets for the period ended 30 June 2021 was 3% (2020: 2.4%) of the average carrying amount of the financial assets.

7. Income tax expense

	months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(in millions)	(in millions)
Current tax expense	1,363,462	540,258
Deferred tax expense (LA -)	-	134,036
Hong Kong tax expense	15,875	147,446
	<u>28,868</u>	<u>11,098</u>
	<u>1,408,205</u>	<u>832,838</u>
Deferred tax expense	(6,218)	(7,458)
	<u>1,401,987</u>	<u>825,380</u>

The Group's current tax expense for the period ended 30 June 2021 was HK\$1,363,462,000 (2020: HK\$540,258,000). The Group's deferred tax expense for the period ended 30 June 2021 was HK\$6,218,000 (2020: HK\$7,458,000).

The Group's Hong Kong tax expense for the period ended 30 June 2021 was HK\$15,875,000 (2020: HK\$147,446,000). The Group's Hong Kong tax expense for the period ended 30 June 2021 was calculated based on the Group's taxable income in Hong Kong.

The Group's current tax expense for the period ended 30 June 2021 was HK\$1,363,462,000 (2020: HK\$540,258,000). The Group's current tax expense for the period ended 30 June 2021 was calculated based on the Group's taxable income in Hong Kong. The Group's deferred tax expense for the period ended 30 June 2021 was HK\$6,218,000 (2020: HK\$7,458,000). The Group's deferred tax expense for the period ended 30 June 2021 was calculated based on the Group's taxable income in Hong Kong. The Group's Hong Kong tax expense for the period ended 30 June 2021 was HK\$15,875,000 (2020: HK\$147,446,000). The Group's Hong Kong tax expense for the period ended 30 June 2021 was calculated based on the Group's taxable income in Hong Kong.

7. In omnia et p[ro]p[ter] om[ni]a

21 M. 2018, H. K. L. (A.) (N.)
 7) B. 2017 (B.)
 28 M. 2018
 HK\$2
 HK\$2
 8.25%,
 16.5%.

11. **Trade and other receivables and prepayments, interest loans and bills receivable** (continued)

The Group's receivables are analysed as follows: (31 December 2020: 120 days), and the Group's interest loans are analysed as follows: (31 December 2020: 90 days). The Group's receivables are analysed as follows: (31 December 2020: 120 days).

	30 June 2021 HK\$'000 (Audited)	31 December 2020 HK\$'000 (Audited)
0-90 days	7,947,900	6,306,076
91-120 days	706,102	538,622
121-150 days	469,226	341,673
151-180 days	105,436	88,230
Over 180 days	87,845	86,907
	<u>9,316,509</u>	<u>7,361,508</u>

The Group's interest loans are analysed as follows: (31 December 2020: 90 days).

12. **Trade and other payables and bills payable**

The Group's payables are analysed as follows: (31 December 2020: 90 days).

	30 June 2021 HK\$'000 (Audited)	31 December 2020 HK\$'000 (Audited)
0-90 days	2,469,026	2,333,350
91-180 days	404,029	470,960
Over 180 days	304,225	350,693
	<u>3,177,280</u>	<u>3,155,003</u>

The Group's payables are analysed as follows: (31 December 2020: 90 days).

PERFORMANCE

L... D... : D...
 65 33%
 M...
 116%
 HK\$14,440.6
 (EBI DA-) 225% HK\$4,441.0

CB D... : I... CB...
 CB D...
 5G
 CB... CB...
 51% HK\$6,462.4
 54% HK\$933.5 EBI DA

C... D... : G...
 B... A...
 47%
 HK\$7,551.5 EBI DA 346% HK\$2,126.2

D... :
 HK\$2,254
 88% HK\$575.3 EBI DA
 78% HK\$428.6

LIABILITIES AND CAPITAL RESOURCES

As at 30 June 2021, the Group's total liabilities were HK\$19,611.4 million (31 December 2020: HK\$22,426.2 million), of which 1.66% (31 December 2020: 1.97%) were current liabilities.

The Group's total assets were HK\$20,266.6 million (30 June 2021) and HK\$22,426.2 million (31 December 2020).

The Group's total equity was HK\$1,655.2 million (31 December 2020: HK\$1,792.5 million).

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HUMAN RESOURCES

As at 30 June 2021, the Group's total number of employees was 36,000 (31 December 2020: 36,000). The Group's total number of employees was 36,000 (31 December 2020: 36,000).

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... D... : ... C... I...
... F...
... K... H...
... H... K...
... H...
... II...
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...

APPRECIATION

... B... I...
... G...
...

CLOSURE OF REGISTRATION OF MEMBERS

... C... 9 D... 2021,
F... 10 D... 2021 (...)
... I... C...
... C...
... H... K... L... 54, H... C... 183
... E... H... K... 4:00 ... 8
D... 2021.

REMOVAL OF COMPANY'S LIMITED LIABILITY

N... C...
C... 30 J... 2021.

APPOINTMENT OF COMMITTEE

A... C...
... G...
... G...
... 30 J... 2021.

COMPLIANCE WITH THE COMPANY'S GOVERNANCE CODE

C... C... (... CG C...) ... A... 14... G... L...
... E... H... K... L... (... L...) ...
... 30 J... 2021, ... A.4.1 ... CG
C... D...
N... D... (...) ... C...
... C... A...
... C... CG C...

