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KB

KINGBOA D HOLDING LIMI ED

建滔集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(to Co : 148)

IN E IM E ANNO NGEMEN

FINANCIAL HIGHLIGH

	months n 30 Jun		
	2021	**2020**	**Chang**
	HK$'million	*HK$'million*	
n	26,701.5	19,925.6	+34%
EB DA	8,352.6	3,479.2	+140%
Net p ro t attr b, nta, l to own rs o th Comp an	5,061.7	1,059.2	+378%
Bas arn ngsp r shar	HK$4.573	HK$0.964	+374%
Int r m n p r shar	HK$0.56	HK$0.28	+100%
Net ass t al p r shar	HK$53.0	HK$44.7	+19%
Net g ar ng	20%	25%	

(B –) K H L (C –)
C
(G –) 30 J 2021
2020 :

Con ns Consol at tatement o o t or Loss

		months n 30 Jun	
		2021	**2020**
	Notes	*HK$'000*	*HK$'000*
		( )	( )
	3	26,701,492	19,925,648
C		(18,011,631)	(14,924,582)
G		8,689,861	5,001,066
	5	116,277	68,664
D		(639,023)	(495,619)
A		(1,228,597)	(1,037,081)
G /(L)		370,352	(1,001,730)
G		49,133	84,557
F	*6*	(108,078)	(287,993)
		41,926	39,852
		51,380	(5,776)
		7,343,231	2,365,940
I	*7*	(1,401,987)	(825,380)
		5,941,244	1,540,560
:			
C		5,061,729	1,059,192
N		879,515	481,368
		5,941,244	1,540,560
		HK$	*HK$*
		( )	( )
E	*9*		
B		4.573	0.964
D		4.569	0.963

Con ns Consol at tatment o Pro t or Loss an Oth r Comp r h ns In om

	months n 30 Jun	
	2021	**2020**
	HK$'000	*HK$'000*
	(Una)	(Una)
	5,941,244	1,540,560
/( ) :		
Item that will not be reclassified to profit or loss:		
:		
E	515,527	(476,430)
Items that may be reclassified subsequently to profit or loss:		
I :		
F	(2,331)	(32,076)
)	(49,133)	(84,557)
	(51,464)	(116,633)
( )	464,063	(593,063)
	6,405,307	947,497
:		
C	5,490,283	538,933
N	915,024	408,564
	6,405,307	947,497

	30 June 2021	31 December 2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
N		
D	687,853	690,621
B	3,338,954	8,618,747
L	9,311	9,792
	4,036,118	9,319,160
	63,705,286	60,798,706
C		
	110,879	110,579
	58,599,762	55,754,324
E C	58,710,641	55,864,903
N	4,994,645	4,933,803
	63,705,286	60,798,706

Notes:

1. Basis of preparation

The interim financial report has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

2. Principal accounting policies

The interim financial report has been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair value.

The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those used in the annual financial statements for the year ended 31 December 2020 except for the adoption of new and amended standards and interpretations ("HKFRSs") effective for the first time for the current accounting period of the Group and the Company, which commenced on 1 January 2021. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

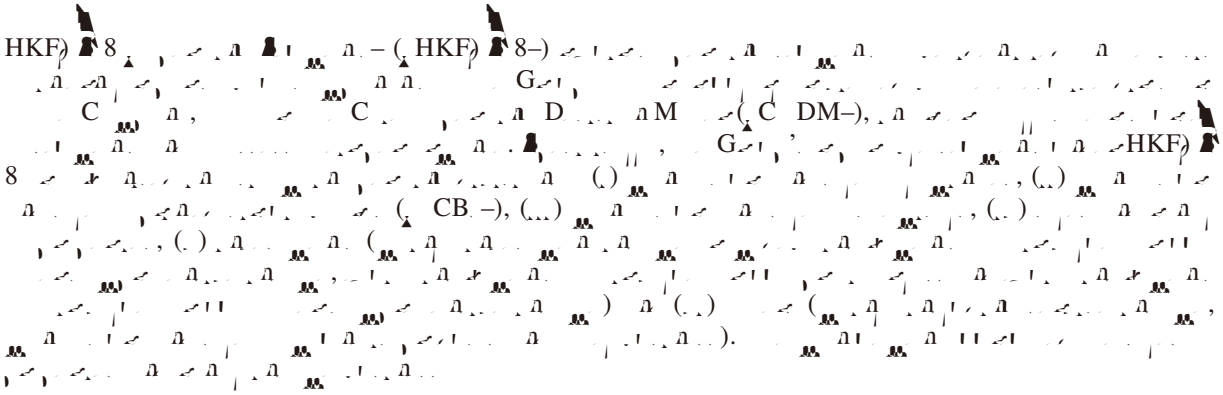
Adoption of new and amended HKFRSs

In addition, the Group has adopted the following amendments to HKFRSs issued by the HKICPA that are mandatorily effective for the annual period beginning on 1 January 2021 and relevant to the Group's financial statements:

Amendment to HKFRS 16 Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, Interest Rate Benchmark Reform – Phase 2
HKFRS 7, HKFRS 4 and HKFRS 16

The adoption of these amendments to HKFRSs did not have any significant impact on the Group's financial statements for the current or prior accounting periods.

3. gm nt n ormat on



3. Segment information – continued

	Laminates	PCBs	Chemicals	Apparels	Investments	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Six months ended 30 June 2020								
[illegible]								
External sales	5,592,085	4,271,597	4,828,399	4,857,901	155,419	220,247		19,925,648
Inter-segment sales	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
[illegible]								
[illegible]	1,083,613	303,266	279,323	1,906,073	(761,752)	5,329		2,815,852
[illegible]								35,375
[illegible]								(231,370)
Finance costs								(287,993)
[illegible]								39,852
[illegible]								(5,776)
[illegible]								2,365,940

[illegible]

4. Depreciation

During the [illegible] HK$871,284,000 ([illegible] 30 June 2020: HK$799,440,000) [illegible].

5. Other income, gains and losses

	Six months ended 30 June	
	2021	**2020**
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
[illegible]:		
[illegible]	19,692	33,198
[illegible]	11,311	11,791
[illegible]	20,252	14,383
Gain [illegible]	47,963	17,284
[illegible]	17,059	(7,992)
	116,277	68,664

6. Finance costs

	months ended 30 June	
	2021	**2020**
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	139,263	311,656
Interest on lease liabilities	4,722	3,375
Interest on other loans	292	234
Less: Amounts capitalised in the cost of qualifying assets	(5,835)	(6,059)
Amounts capitalised in the cost of properties under development	(30,364)	(21,213)
	108,078	287,993

Borrowing costs capitalised during the period arise on the general borrowing pool and specific borrowings for the purpose of obtaining qualifying assets. For the six months ended 30 June 2021, HK$4,722,000 (six months ended 30 June 2020: HK$3,375,000) borrowing costs capitalised during the period arise on specific borrowings for the purpose of obtaining qualifying assets. The capitalisation rate applied to the general borrowing pool is 3% (six months ended 30 June 2020: 2.4%) per annum, which is the weighted average interest rate of the borrowings.

7. Income tax expense

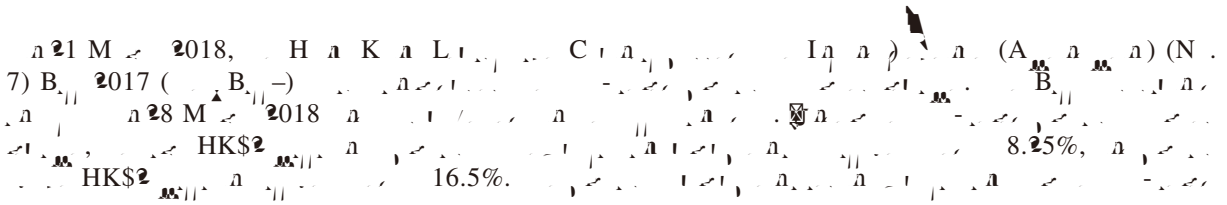
	months ended 30 June	
	2021	**2020**
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	1,363,462	540,258
PRC Land Appreciation Tax (LAT)		134,036
Hong Kong profits tax	15,875	147,446
Overseas taxes and withholding tax	28,868	11,098
	1,408,205	832,838
Deferred tax	(6,218)	(7,458)
	1,401,987	825,380

Pursuant to the PRC Enterprise Income Tax Law (the "EIT Law") and Implementation Regulation of the EIT Law, the PRC subsidiaries are subject to PRC EIT at 25%.

Pursuant to the EIT Law, dividends distributed by PRC companies in respect of profits earned after 1 January 2008 are subject to withholding tax at 5% or 10%, depending on the tax residence of the recipient companies, unless reduced by tax treaties or arrangements. Withholding tax is provided on the undistributed profits of the Group's PRC companies at a rate of 5% or 10% as appropriate, except where the Group is able to control the timing of the distribution of the profits and it is probable that the profits will not be distributed in the foreseeable future. As at 1 January 2008, the undistributed profits of the Group's PRC companies are exempted from withholding tax.

The LAT is levied on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures. The LAT has been provided at progressive rates ranging from 30% to 60% of the appreciation of land value, as determined in accordance with the relevant PRC tax rules and regulations. The Group has made provision for LAT in accordance with the PRC Provisional Regulations on Land Appreciation Tax and its implementation rules. However, the tax authorities in certain cities have not yet established the procedures for the calculation, assessment and collection of LAT. The Group has not finalised its LAT returns with the relevant tax authorities for certain property development projects. Accordingly, the provision for LAT is based on the Group's interpretation of the relevant tax rules and regulations and the best estimate of the directors of the Company.

7. In om ta p ns – ont n



11. Trade and other receivables and prepayments, entrusted loans and bills receivables – continued

Generally, the credit period granted to customers ranges from 120 days (31 December 2020: 120 days), except for certain customers with long business relationship and good repayment history, where longer credit period may be granted. The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period:

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

Bills receivables of the Group with maturity period of 90 days (31 December 2020: 90 days) or less are normally accepted by banks.

12. Trade and other payables and bills payables

The following is an aging analysis of trade payables and bills payables presented based on the invoice date at the end of the reporting period:

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

Average credit period on purchases of goods is 90 days (31 December 2020: 90 days).

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K H L, I C (G–) 30 J 2021 (’). A C ’ G ’ C ’ K , G , D G L D L D C B (CB–) D C D B A,

FO MANCE

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

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2021, the Group had cash and bank balances of HK$19,611.4 million (31 December 2020: HK$22,426.2 million) and current ratio of 1.66 (31 December 2020: 1.97).

Net debt to equity ratio was 65% as at 30 June 2021 (31 December 2020: 56%). Net debt to equity ratio is calculated as follows:

Interest coverage, calculated as profit before interest and tax divided by interest expense, was 36 times (31 December 2020: 35 times).

Debt to total assets ratio was 63% (31 December 2020: 62%).

Current ratio (calculated as current assets divided by current liabilities) was 34% (31 December 2020: 41%).

The Group's borrowings (including lease liabilities) were denominated 20% (31 December 2020: 18%) in Renminbi. Fixed-rate and floating-rate borrowings were at 81%:19% (31 December 2020: 50%:50%). During the period, the Group obtained 1 new loan of HK$900 million and repaid 1 loan of HK$1,200 million. Loan facilities and repayments were mainly for the purpose of refinancing and general working capital. The Group's borrowings were mainly denominated in Hong Kong dollars and Renminbi.

During the period, the Group's net cash outflow from operating activities was HK$2,815 million. The Group's net cash outflow from investing activities was HK$1,200 million, mainly for the acquisition of property, plant and equipment and investment in joint ventures. The Group's net cash outflow from financing activities was HK$1,800 million, mainly for the repayment of bank loans and dividend payment to shareholders of the Company and non-controlling interests of subsidiaries.

HUMAN RESOURCES

As at 30 June 2021, the Group had approximately 36,000 (31 December 2020: 36,000) employees. In addition to salaries, the Group provides other benefits to employees, including contributions to retirement schemes, medical insurance, share option scheme and training programmes.

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Chairman

H[illegible] K[illegible], 30 A[illegible] 2021

As at the date of this announcement, the Board consists of Messrs. Cheung Kwok Wing, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Cheung Ka Shing, and Chen Maosheng, being the executive Directors and Messrs. Cheung Ming Man, Chong Kin Ki, Chan Wing Kee and Stanley Chung Wai Cheong, being the independent non-executive Directors.