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KINGBOARD LAMINATES HOLDINGS LIMITED

建滔積層板控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1888)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS			
	FY2024	FY2023	Change
	HK\$'million	HK\$'million	
Revenue	18,541.0	16,750.2	+11%
EBITDA*	2,962.7	2,450.3	+21%
Profit before tax*	1,758.3	1,276.5	+38%
Net profit attributable to owners of the Company			
– Underlying net profit*	1,349.0	991.0	+36%
– Reported net profit	1,326.1	907.4	+46%
Earnings per share			
– Based on underlying net profit*	HK43.2 cents	HK31.8 cents	+36%
– Based on reported net profit	HK42.5 cents	HK29.1 cents	+46%
Full-year dividend per share	HK62.0 cents	HK16.0 cents	+288%
– Interim dividend per share	HK12.0 cents	HK6.0 cents	+100%
– Proposed final dividend per share	HK20.0 cents	HK10.0 cents	+100%
– Proposed special final dividend per share	HK30.0 cents	–	NA
Net asset value per share	HK\$4.92	HK\$4.79	+3%
Net gearing	9%	16%	

* Excluding:

FY2024: Loss on fair value changes of investment properties of HK\$22.9 million.

FY2023: Loss on fair value changes of investment properties of HK\$34.9 million and share-based payments of HK\$48.8 million.

The board of directors (the “Board”) of Kingboard Laminates Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	2	18,541,025	16,750,248
Cost of sales		<u>(15,262,584)</u>	<u>(14,073,125)</u>
Gross profit		3,278,441	2,677,123
Other income, gains and losses	4	89,523	100,420
Distribution expenses		(435,414)	(426,155)
Administrative expenses		(756,855)	(791,848)
Loss on fair value changes of equity instruments at fair value through profit or loss		(79,282)	(69,854)
Gain on disposal of debt instruments at fair value through other comprehensive income		–	12,071
Loss on fair value changes of investment properties		(22,940)	(34,867)
Impairment losses under expected credit loss model on debt instruments at fair value through other comprehensive income		(82,934)	(270)
Finance costs	5	<u>(255,172)</u>	<u>(273,694)</u>
Profit before taxation		1,735,367	1,192,926
Income tax expense	7	<u>(405,238)</u>	<u>(284,282)</u>
Profit for the year		<u>1,330,129</u>	<u>908,644</u>
Profit for the year attributable to:			
Owners of the Company		1,326,096	907,402
Non-controlling interests		<u>4,033</u>	<u>1,242</u>
		<u>1,330,129</u>	<u>908,644</u>
Earnings per share	9		
– Basic		<u>HK\$0.425</u>	<u>HK\$0.291</u>
– Diluted		<u>HK\$0.425</u>	<u>HK\$0.291</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>1,330,129</u>	<u>908,644</u>
Other comprehensive (expense) income for the year		
<i>Item that will not be reclassified to profit or loss:</i>		
Translation reserve:		
Exchange differences arising from translation to presentation currency	<u>(330,535)</u>	<u>(186,506)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Investment revaluation reserve:		
Impairment losses under expected credit loss model on debt instruments at fair value through other comprehensive income included in profit or loss	82,934	270
Fair value loss on debt instruments at fair value through other comprehensive income	(1,476)	(44,641)
Reclassify to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	<u>–</u>	<u>(12,071)</u>
	<u>81,458</u>	<u>(56,442)</u>
Other comprehensive expense for the year	<u>(249,077)</u>	<u>(242,948)</u>
Total comprehensive income for the year	<u>1,081,052</u>	<u>665,696</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	1,077,592	664,793
Non-controlling interests	<u>3,460</u>	<u>903</u>
	<u>1,081,052</u>	<u>665,696</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Investment properties		1,229,135	1,266,313
Property, plant and equipment		6,921,000	7,332,606
Right-of-use assets		561,919	589,061
Equity instruments at fair value through profit or loss		263,931	356,334
Debt instruments at fair value through other comprehensive income		94,652	96,452
Deposits paid for acquisition of property, plant and equipment		236,254	101,338
Deferred tax assets		3,467	3,607
Goodwill		238	238
		<u>9,310,596</u>	<u>9,745,949</u>
Current assets			
Inventories		2,655,260	2,734,446
Trade and other receivables and prepayments	<i>10</i>	4,251,573	3,765,005
Bills receivables	<i>10</i>	2,786,704	2,638,096
Properties held for development		103,802	110,816
Equity instruments at fair value through profit or loss		1,539,515	1,681,470
Debt instruments at fair value through other comprehensive income		324	–
Amounts due from fellow subsidiaries		538,085	859,923
Cash and cash equivalents		1,924,271	2,027,179
		<u>13,799,534</u>	<u>13,816,935</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>11</i>	2,314,366	2,257,166
Bills payables	<i>11</i>	516,196	477,593
Contract liabilities		293,260	347,123
Dividends payable		374,400	187,200
Lease liabilities		554	563
Amounts due to fellow subsidiaries		46,681	46,767
Taxation payable		555,064	519,813
Bank borrowings – amount due within one year		1,662,897	1,759,086
		<u>5,763,418</u>	<u>5,595,311</u>
Net current assets		<u>8,036,116</u>	<u>8,221,624</u>
Total assets less current liabilities		<u>17,346,712</u>	<u>17,967,573</u>
Non-current liabilities			
Lease liabilities		843	1,075
Deferred tax liabilities		360,595	298,953
Bank borrowings – amount due after one year		1,615,385	2,692,308
		<u>1,976,823</u>	<u>2,992,336</u>
Net assets		<u>15,369,889</u>	<u>14,975,237</u>
Capital and reserves			
Share capital		312,000	312,000
Reserves		15,030,427	14,639,235
Equity attributable to owners of the Company		<u>15,342,427</u>	<u>14,951,235</u>
Non-controlling interests		<u>27,462</u>	<u>24,002</u>
Total equity		<u>15,369,889</u>	<u>14,975,237</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. REVENUE

Analysis of revenue for the year is as follows:

	2024 HK\$’000	2023 HK\$’000
Revenue recognised at a point in time		
Sales of laminates and its upstream materials (<i>note a</i>)	16,820,701	15,227,815
Sales of properties	16,153	113,592
Sales of specialty resin (<i>note a</i>)	1,261,196	1,030,273
Others	222,654	189,719
Revenue recognised over time (<i>note b</i>)	50,095	55,143
Revenue from contracts with customers	18,370,799	16,616,542
Rental income	60,417	58,081
Interest income from debt instruments	7,871	4,342
Dividend income	101,938	71,283
	18,541,025	16,750,248

2. REVENUE – continued

Notes:

- (a) Sales of laminates, its upstream materials include sales of copper foil, epoxy resin, fibreglass fabric and bleached kraft paper, and sales of specialty resin. The payment terms are ranged from 0 day to 120 days.
- (b) Revenue recognised over time represents income from hotel accommodation of HK\$50,095,000 (2023: HK\$55,143,000).

3. SEGMENT INFORMATION

HKFRS 8 “Operating Segments” (“HKFRS 8”) requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by Chief Operating Decision Maker (“CODM”) in order to allocate resources to segments and to assess their performance. Specifically, the Group’s reportable segments under HKFRS 8 are organised into three main operating divisions – (i) manufacturing and sale of laminates; (ii) properties; and (iii) investments.

The accounting policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS consolidated financial statements. Segment profit represents the profit earned or loss incurred by each segment with certain items not included (unallocated corporate income and expenses, share-based payments and finance costs). This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating and reportable segments:

For the year ended 31 December 2024

	Laminates <i>HK\$'000</i>	Properties <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>18,304,551</u>	<u>126,665</u>	<u>109,809</u>	<u>18,541,025</u>
Segment results	<u>2,088,474</u>	<u>23,368</u>	<u>(53,452)</u>	2,058,390
Unallocated corporate income				38,541
Unallocated corporate expenses				(106,392)
Finance costs				<u>(255,172)</u>
Profit before taxation				<u>1,735,367</u>

3. SEGMENT INFORMATION – continued

For the year ended 31 December 2023

	Laminates <i>HK\$'000</i>	Properties <i>HK\$'000</i>	Investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>16,447,807</u>	<u>226,816</u>	<u>75,625</u>	<u>16,750,248</u>
Segment results	<u>1,516,358</u>	<u>42,336</u>	<u>4,182</u>	1,562,876
Unallocated corporate income				47,157
Unallocated corporate expenses				(94,663)
Share-based payments				(48,750)
Finance costs				<u>(273,694)</u>
Profit before taxation				<u>1,192,926</u>

Other information

The Group operates principally in the People's Republic of China (the "PRC") (country of domicile).

The following is an analysis of the Group's revenue from external customers by geographical location of the customers or tenants or in the case of dividend income and interest income, the principal place of business of the investee or debtor:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC (country of domicile)	17,149,637	15,410,846
Other foreign countries:		
Other Asian countries	1,151,361	1,073,565
Europe	119,636	138,363
America	<u>120,391</u>	<u>127,474</u>
	<u>18,541,025</u>	<u>16,750,248</u>

Revenue from one of the Group's customers, being KHL's subsidiaries in fellow subsidiaries of the Group, in laminates segment amounted to HK\$3,764,636,000 (2023: HK\$3,488,683,000), which individually accounted for over 10% of the Group's revenue for the year.

4. OTHER INCOME, GAINS AND LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income, gains and losses includes:		
Government grants	44,487	47,309
Interest income on bank balances and deposits	22,776	35,644
Gain (loss) on disposal and written off of property, plant and equipment	575	(642)
Others	<u>21,685</u>	<u>18,109</u>
	<u>89,523</u>	<u>100,420</u>

5. FINANCE COSTS

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank borrowings	268,147	285,159
Interest on lease liabilities	65	70
Less: Amounts capitalised in the construction in progress	<u>(13,040)</u>	<u>(11,535)</u>
	<u>255,172</u>	<u>273,694</u>

6. DEPRECIATION

During the year, depreciation of approximately HK\$933.2 million (2023: HK\$886.1 million) was charged in respect of the Group's property, plant and equipment.

7. INCOME TAX EXPENSE

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
The amount comprises:		
The PRC Enterprise Income Tax ("EIT")	274,923	162,437
The PRC Land Appreciation Tax ("LAT")	478	14,646
Hong Kong Profits Tax	8,480	3,423
Taxation arising in other jurisdictions	3,375	9,918
Withholding tax in the PRC	<u>56,200</u>	<u>114,361</u>
	343,456	304,785
Deferred taxation		
Charge (credit) for the year	<u>61,782</u>	<u>(20,503)</u>
	<u>405,238</u>	<u>284,282</u>

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Under the EIT Law of the PRC, withholding tax of 5% to 10% is imposed on dividends declared in respect of profits earned by subsidiaries in Mainland China from 1 January 2008 onwards.

Pursuant to the EIT Law of the PRC, a High-New Technology Enterprise shall be entitled to a preferential tax rate of 15% for three years since it was officially endorsed. Certain subsidiaries in the PRC obtained official endorsement as a High-New Technology Enterprise and with the expiry dates on or before 2026 (2023: 2025).

7. INCOME TAX EXPENSE – continued

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The Group is operating in UK where the Pillar Two Rules are effective, and Thailand where the Pillar Two Rules are enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends declared and/or paid		
2024 Interim dividend of HK12.0 cents (2023: HK6.0 cents) per ordinary share	374,400	187,200
2023 Final dividend of HK10.0 cents (2022: HK20.0 cents) per ordinary share	312,000	624,000
	<u>686,400</u>	<u>811,200</u>
Dividends proposed		
Proposed 2024 Final dividend of HK20.0 cents (2023: HK10.0 cents) per ordinary share	624,000	312,000
Proposed 2024 Special final dividend of HK30.0 cents (2023: Nil) per ordinary share	936,000	–
	<u>1,560,000</u>	<u>312,000</u>

The final dividend of HK20.0 cents per ordinary share amounted to HK\$624,000,000 and the special final dividend of HK30.0 cents per ordinary share amounted to HK\$936,000,000 in respect of the year ended 31 December 2024 (2023: final dividend of HK10.0 cents per ordinary share amounted to HK\$312,000,000 in respect of the year ended 31 December 2023) have been proposed by the directors of the Company (the "Directors") and are subject to the approval by the shareholders of the Company in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings for the purpose of calculating basic and diluted earnings per share (2023: basic and diluted earnings per share)	<u>1,326,096</u>	<u>907,402</u>
	Number of shares	
	2024 <i>'000</i>	2023 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,120,000	3,120,000
Effect of dilutive potential ordinary shares arising from share options (<i>Note</i>)	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>3,120,000</u>	<u>3,120,000</u>

Note: The Company's share options can potentially dilute basic earnings per share in the future, but are not included in the calculation of diluted earnings per share because they are antidilutive for the years presented.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS AND BILLS RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	4,061,223	3,565,346
Less: Allowance for credit losses	<u>(444,041)</u>	<u>(464,189)</u>
Trade receivables, net	3,617,182	3,101,157
Advance to suppliers	129,906	126,611
Prepaid expenses and deposits	71,010	75,704
Value-added tax ("VAT") recoverable	239,463	297,851
Other receivables	<u>194,012</u>	<u>163,682</u>
	4,251,573	3,765,005
Bills receivables	<u>2,786,704</u>	<u>2,638,096</u>
	<u>7,038,277</u>	<u>6,403,101</u>

As at 1 January 2023, the gross amount of trade receivables from contracts with customers amounted to HK\$3,715,273,000 with allowance for credit losses of HK\$574,985,000.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS AND BILLS RECEIVABLES – continued

The Group allows credit periods of up to 120 days (2023: 120 days), depending on the products sold to its trade customers.

The following is an aging analysis of trade receivables net of allowance for credit losses based on invoice date at the end of the reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–90 days	3,098,773	2,615,687
91–180 days	467,055	452,670
Over 180 days	51,354	32,800
	<u>3,617,182</u>	<u>3,101,157</u>

Bills receivables of the Group are all aged within 0–90 days (2023: 0–90 days) since invoice date at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

11. TRADE AND OTHER PAYABLES AND BILLS PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	775,711	792,963
Accrued expenses	519,989	468,353
Payables for acquisition of property, plant and equipment	119,523	164,893
Other tax payables	572,878	578,619
VAT payables	135,931	125,502
Other payables	190,334	126,836
	<u>2,314,366</u>	<u>2,257,166</u>
Bills payables (<i>Note</i>)	516,196	477,593
	<u>2,830,562</u>	<u>2,734,759</u>

Note: Included in bills payables as at 31 December 2024 was payables for acquisition of property, plant and equipment of HK\$121,274,000 (2023: HK\$78,944,000).

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–90 days	712,021	702,995
91–180 days	24,774	35,121
Over 180 days	38,916	54,847
	<u>775,711</u>	<u>792,963</u>

The average credit period on purchase of goods is 90 days (2023: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

Bills payables of the Group related to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables, which are aged within 90 days (2023: 90 days) at the end of the reporting period.

BUSINESS REVIEW

On behalf of the board of directors (the “Board”), I am delighted to report the annual results of Kingboard Laminates Holdings Limited and its subsidiaries (the “Group”) for the financial year ended 31 December 2024 (the “Period”).

During 2023, competition in the laminates market intensified as the electronics industry recorded relatively high inventory levels across its end-user and upstream-to-downstream segments, with the decline in electronics demand coinciding with an excess capacity in the laminates industry following an overall expansion of capacity over the previous two years. In 2024, the electronics industry emerged from the bottom of the cycle and entered a new growth phase. This positive momentum was driven by the rapid development of the automotive electronics and artificial intelligence (AI) sectors, which spurred significant demand growth, as well as by the successive introduction of a series of favourable policies to boost demand for electronic products. In addition, improved demand forecasts from downstream clients have prompted active restocking in various downstream sectors. Against this backdrop, the Laminates Division posted growth in both revenue and profits, supported by the Group’s vertically integrated value chain and broad client base, continued technical enhancements, and stringent cost controls.

The Group’s revenue increased 11% over that of 2023 to HK\$18,541.0 million. After deducting allowances for credit loss on investments in bonds issued of HK\$82.9 million, underlying net profit attributable to owners of the Company was increased 36% to HK\$1,349.0 million. On the basis of a healthy financial position, the Board has proposed a final dividend of HK20.0 cents per share and a special final dividend of HK30.0 cents per share, subject to shareholders’ approval.

Financial Highlights

	FY2024	FY2023	Change
	<i>HK\$'million</i>	<i>HK\$'million</i>	
Revenue	18,541.0	16,750.2	+11%
EBITDA*	2,962.7	2,450.3	+21%
Profit before tax*	1,758.3	1,276.5	+38%
Net profit attributable to owners of the Company			
– Underlying net profit*	1,349.0	991.0	+36%
– Reported net profit	1,326.1	907.4	+46%
Earnings per share			
– Based on underlying net profit*	HK43.2 cents	HK31.8 cents	+36%
– Based on reported net profit	HK42.5 cents	HK29.1 cents	+46%
Full-year dividend per share	HK62.0 cents	HK16.0 cents	+288%
– Interim dividend per share	HK12.0 cents	HK6.0 cents	+100%
– Proposed final dividend per share	HK20.0 cents	HK10.0 cents	+100%
– Proposed special final dividend per share	HK30.0 cents	–	NA
Net asset value per share	HK\$4.92	HK\$4.79	+3%
Net gearing	9%	16%	

* Excluding:

FY2024: Loss on fair value changes of investment properties of HK\$22.9 million.

FY2023: Loss on fair value changes of investment properties of HK\$34.9 million and share-based payments of HK\$48.8 million.

PERFORMANCE

Laminates Division: The Period witnessed a gradual recovery in demand in the traditional consumer electronics market, with particularly notable growth in air conditioning and photovoltaic panels. The rapid development of the AI industry and the increased integration of electronic and smart applications in the automotive sector have further boosted the demand for laminates. The laminates market is trending towards small-volume, diversified production. The division has actively responded by undertaking research and development (R&D) into new products that meet the functionality and pricing requirements of different clients. Such R&D initiatives have also helped the division establish footholds in new market arenas. Steady progress has been made in the optimisation of the product portfolio, with a gradual shift towards high-end, high-value-added products. Revenue of the Laminates Division increased by 11% to HK\$18,304.5 million. During the Period, as copper prices surged significantly, the Group implemented orderly price increases for its laminate products. These adjustments not only offset the cost pressures caused by rising copper prices, but also helped improve the division's gross profit margin. The Group's seasoned management team also made persistent efforts to enhance production efficiency and reduce energy consumption through technical improvements, while lowering labour costs through increased automation. As a result, earnings before interest, taxes, depreciation and amortisation ("EBITDA") were increased 26% to HK\$3,023.0 million.

PERFORMANCE – continued

Property Division: As the Group continued to implement its strategy focused on the development of the laminates business, the Property Division was primarily engaged in operations deriving rental income during the year. Segment revenue dropped by 44% to HK\$126.7 million. EBITDA also down 34% to HK\$38.0 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group's consolidated financial and liquidity position remained robust. As at 31 December 2024, the Group net current assets and current ratio (current assets divided by current liabilities) were HK\$8,036.1 million (31 December 2023: HK\$8,221.6 million) and 2.39 (31 December 2023: 2.47) respectively.

The net working capital cycle decreased to 116 days as at 31 December 2024 from 125 days as at 31 December 2023 on the following key metrics:

- Inventories, in terms of stock turnover days, were 63 days (31 December 2023: 71 days).
- Trade receivables, including amounts due from fellow subsidiaries, in terms of debtor turnover days, were 82 days (31 December 2023: 86 days).
- Trade and bills payable (excluding bills payable for property, plant and equipment), including amounts due to fellow subsidiaries, in terms of creditor turnover days, were 29 days (31 December 2023: 32 days).

As at 31 December 2024, the Group's net gearing ratio (ratio of bank borrowings net of bank balances and cash to total equity) was approximately 9% (31 December 2023: net gearing ratio 16%). The ratio of short-term to long-term bank borrowings stood at 51%:49% (31 December 2023: 40%:60%). In 2024, the Group invested approximately HK\$700 million in new capacity. With the management team's wealth of professional experience, a strong business foundation, and a solid financial position, the management firmly believes these investments will generate stable and satisfactory long-term returns for shareholders. The Group continued to adopt a prudent financial management policy. Throughout the year, the Group did not enter into any material derivative financial instruments, nor did the Group have any material foreign exchange exposure. The Group's revenue, mostly denominated in Hong Kong dollars, RMB and US dollars, was fairly matched with the currency requirements of its operating expenses. The Group possessed adequate financial resources in reserve to fulfil its requirements for future market developments.

HUMAN RESOURCES

As at 31 December 2024, the Group employed a workforce of approximately 9,900 (31 December 2023: 10,000). In addition to offering competitive salary packages, the Group grants share options and discretionary bonuses to eligible employees based on the Group's overall financial achievements and employees' individual performance.

PROSPECTS

As 2025 unfolds, the electronics market is generally experiencing robust demand. The Group recorded significant year-on-year growth in shipment volume for the first two months, with prices for laminates and its upstream materials, such as fibreglass fabric and fibreglass yarn, also rising. The rise of AI technology has spurred the burgeoning development of multiple industry chains, including cloud data centres, robotics, autonomous driving, and smart wearables, along with the continuous upgrading of high-speed networks. These advancements are capable of stimulating the demand for electronic products. The recent strong business performance of downstream PCB clients will also serve as a growth driver for laminates demand. Benefitting from its advantages in vertical integration and economies of scale, the Group commands highly competitive product pricing and maintains a resilient, top-tier gross margin level in the industry. This is expected to drive sustained growth in the Group's revenue and profits. At the same time, the Group has established a state-of-the-art laminate R&D centre equipped with advanced facilities. It has successfully developed a range of high-frequency and high-speed products applicable to GPU motherboards in AI servers. Through the coordinated development of its vertical supply chain, the Group has also successfully developed HVLP3 copper foil for AI servers and ultra-thin VLP copper foil for IC substrate packaging. The utilisation of thick copper foil has also seen a substantial rise due to its applications in data centres and cloud computing. The newly added 1,500-tonne monthly copper foil capacity in the latest phase of the facility in Lianzhou City, Guangdong Province, will be fully operational in 2025, significantly enhancing the Group's cost efficiencies. Moving forward, the division will continue to collaborate with premium customers, working together to achieve the certification of high-end products by end customers in order to enable comprehensive downstream coverage. Low-dielectric fibreglass yarn, which is used in the core components of AI applications, is currently in short supply. A low-dielectric fibreglass yarn project in Qingyuan City, Guangdong Province, with an annual capacity of 500 tonnes is under construction and is expected to commence operations in the second half of 2025, meeting market demand and greatly enhancing Kingboard's core competitiveness. In 2024, the Group increased its laminate production capacity in Thailand by 400,000 sheets per month, reaching a monthly capacity of 1 million sheets by the end of 2024. The Group will subsequently increase its monthly capacity in two phases in Thailand, adding 400,000 sheets per phase, with the goal of reaching a total capacity of 1.8 million sheets per month. This expansion is designed to meet the growing demand from overseas clients, including the overseas PCB operations of Kingboard Holdings Limited. **Aligned with national energy-saving objectives, the Group is adopting a professional and systematic approach to installing distributed solar photovoltaics in all buildable areas within its facilities. Following a cumulative investment of HK\$600 million up to 31 December 2024, the Group has successfully equipped itself with an annual generating capacity of 130 million kWh of green electricity thereafter, resulting in energy savings equivalent to 36,000 tonnes of standard coal and a reduction in carbon dioxide emissions of 78,000 tonnes. This initiative is expected to translate into annual electricity bill savings of HK\$117 million based on the market price. In respect of thermal energy recovery, as at 31 December 2024 the Group's investments totalled HK\$120 million. These investments resulted in a reduction in carbon dioxide emissions by 45,000 tonnes during 2024, which is equivalent to energy savings of 18,000 tonnes of standard coal and expenses savings totalling HK\$80 million. Coupled with cumulative cost savings of HK\$230 million as at 31 December 2023, cumulative cost savings of more than HK\$310 million had been achieved as at 31 December 2024. These savings will bring long-term benefits to the Group. This initiative demonstrates the Group's commitment to achieving its environmental, social and governance (ESG) goals.** We remain confident in the Group's growth trajectory. The Group's laminate products have continued to deliver consistent quality and reliable on-time delivery, attracting a growing base of satisfied customers. The Group's management will, as always, fulfil its responsibilities to create greater returns for shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, clients, banks, the management and employees for their unreserved support to the Group during the past year.

FINAL DIVIDEND

The proposed final dividend of HK20.0 cents and special final dividend of HK30.0 cents, the payment of which are subject to approval by the shareholders at the forthcoming annual general meeting of the Company to be held on Monday, 26 May 2025 (“2025 AGM”), are to be payable on Thursday, 3 July 2025 to shareholders whose names appear on the Register of Members of the Company on Tuesday, 17 June 2025.

CLOSURE OF REGISTER OF MEMBERS

The Register of the Members of the Company will be closed during the following periods:

- (i) From Wednesday, 21 May 2025 to Monday, 26 May 2025, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders’ entitlement to attend and vote at the 2025 AGM. In order to be eligible to attend and vote at the 2025 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share register in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:00 p.m. on Tuesday, 20 May 2025; and
- (ii) From Friday, 13 June 2025 to Tuesday, 17 June 2025, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend and special final dividend. In order to qualify for the proposed final dividend and special final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share register in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:00 p.m. on Thursday, 12 June 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with the code provisions as set out in the Corporate Governance Code under Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2024.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “Model Code”). Specific enquiries have been made to all the Directors, Directors have confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding Director’s securities transactions adopted by the Company throughout the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There has been no purchase, sale or redemption of the Company’s shares by the Company or any of its subsidiaries during the year.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management, the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited annual financial statements of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 24 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By Order of the Board
Kingboard Laminates Holdings Limited
Cheung Kwok Wa
Chairman

Hong Kong, 24 March 2025

As at the date of this announcement, the Board consists of Mr. Cheung Kwok Wa, Mr. Cheung Kwok Keung, Mr. Cheung Kwok Ping, Mr. Lam Ka Po, Mr. Cheung Ka Ho, Ms. Cheung, Emily Chun Ming and Mr. Zhou Pei Feng, being the executive Directors, Mr. Lo Ka Leong, being the non-executive Director, and Messrs. Ip Shu Kwan, Stephen, Zhang Lu Fu, Kung, Peter and Ho Kwok Ming, being the independent non-executive Directors.