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KB

KINGBOARD HOLDINGS LIMITED

建滔集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 148)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

| FINANCIAL HIGHLIGHTS | FY 2024 <i>HK\$'million</i> | FY 2023 <i>HK\$'million</i> | Change |
|---|--------------------------------|--------------------------------|--------|
| Revenue | 43,093.3 | 39,712.5 | +9% |
| EBITDA* | 5,865.0 | 6,139.0 | -4% |
| Profit before tax* | 2,754.3 | 3,025.2 | -9% |
| Net profit attributable to owners of the Company | | | |
| – Underlying net profit* | 1,622.0 | 2,274.3 | -29% |
| – Reported net profit | 1,630.3 | 2,063.0 | -21% |
| Basic earnings per share | | | |
| – Based on underlying net profit* | HK\$1.464 | HK\$2.052 | -29% |
| – Based on reported net profit | HK\$1.471 | HK\$1.861 | -21% |
| Dividend per share for the year | HK140 cents | HK102 cents | +37% |
| – Interim dividend per share | HK40 cents | HK16 cents | +150% |
| – Special Interim dividend per share | – | HK50 cents | N/A |
| – Proposed final dividend per share | HK54 cents | HK36 cents | +50% |
| – Proposed special final dividend per share | HK46 cents | – | N/A |
| Net asset value per share | HK\$54.0 | HK\$53.9 | – |
| Net gearing | 28% | 29% | |

* Excluding:

- (1) In 2024, net loss on fair value changes of investment properties with gross amount of HK\$32.3 million, net gain amount of HK\$8.3 million after share by non-controlling shareholders and deferred tax (2023: Net loss on fair value changes of investment properties with gross amount of HK\$113.4 million, net amount of HK\$100.1 million after share by non-controlling shareholders and deferred tax).
- (2) In 2023, share-based payments with gross amount of HK\$124 million, net amount of HK\$111.2 million after share of non-controlling shareholders (2024: nil).

The board of directors (the “Board”) of Kingboard 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 | 43,093,252 | 39,712,499 |
| Cost of sales and services rendered | | <u>(34,600,667)</u> | <u>(32,120,334)</u> |
| Gross profit | | 8,492,585 | 7,592,165 |
| Other income, gains and losses | 3 | 156,272 | 318,934 |
| Distribution expenses | | (1,336,492) | (1,268,398) |
| Administrative expenses | | (2,102,800) | (2,237,760) |
| (Loss) gain on fair value changes of equity instruments at fair value through profit or loss | | (43,826) | 310,844 |
| Gain on disposal of debt instruments at fair value through other comprehensive income | | 4,930 | 30,009 |
| Impairment losses under expected credit loss model on debt instruments at fair value through other comprehensive income | | (702,158) | (2,283) |
| Impairment losses under expected credit loss model on loan receivable | | (721,591) | (893,907) |
| Net loss on fair value changes of investment properties | | (32,333) | (113,434) |
| Finance costs | 4 | (1,116,358) | (1,124,463) |
| Share of results of joint ventures | | 18,110 | 85,626 |
| Share of result of an associate | | 105,647 | 90,378 |
| Profit before taxation | | 2,721,986 | 2,787,711 |
| Income tax expense | 6 | <u>(618,655)</u> | <u>(443,609)</u> |
| Profit for the year | | <u>2,103,331</u> | <u>2,344,102</u> |
| Profit for the year attributable to: | | | |
| Owners of the Company | | 1,630,329 | 2,062,971 |
| Non-controlling interests | | 473,002 | 281,131 |
| | | <u>2,103,331</u> | <u>2,344,102</u> |
| | | HK\$ | HK\$ |
| Earnings per share | 8 | | |
| Basic | | <u>1.471</u> | <u>1.861</u> |
| Diluted | | <u>1.471</u> | <u>1.861</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>2,103,331</u> | <u>2,344,102</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>(1,441,268)</u> | <u>(536,964)</u> |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | |
| Investment revaluation reserve: | | |
| Fair value loss on debt instruments at fair value through other comprehensive income | (32,238) | (375,471) |
| Reclassify to profit or loss upon disposal of debt instruments at fair value through other comprehensive income | (4,930) | (30,009) |
| Impairment losses under expected credit loss model on debt instruments at fair value through other comprehensive income included in profit or loss | <u>702,158</u> | <u>2,283</u> |
| | <u>664,990</u> | <u>(403,197)</u> |
| Other comprehensive expense for the year | <u>(776,278)</u> | <u>(940,161)</u> |
| Total comprehensive income for the year | <u>1,327,053</u> | <u>1,403,941</u> |
| Total comprehensive income for the year attributable to: | | |
| Owners of the Company | 925,730 | 1,182,747 |
| Non-controlling interests | <u>401,323</u> | <u>221,194</u> |
| | <u>1,327,053</u> | <u>1,403,941</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 | | 25,993,955 | 23,801,788 |
| Property, plant and equipment | | 21,286,847 | 19,404,999 |
| Right-of-use assets | | 2,032,467 | 1,951,478 |
| Goodwill | | 2,670,528 | 2,670,528 |
| Intangible assets | | 28,440 | 34,920 |
| Interests in an associate | | 453,154 | 445,132 |
| Interests in joint ventures | | 2,373,457 | 2,473,378 |
| Equity instruments at fair value through profit or loss | | 1,701,572 | 2,219,727 |
| Debt instruments at fair value through other comprehensive income | | 690,880 | 861,970 |
| Entrusted loans | 9 | 134,740 | 181,352 |
| Deposits paid for acquisition of property, plant and equipment | | 915,056 | 744,378 |
| Deferred tax assets | | 2,593 | 3,068 |
| | | <u>58,283,689</u> | <u>54,792,718</u> |
| Current assets | | | |
| Inventories | | 4,232,930 | 3,775,589 |
| Properties held for development | | 12,217,659 | 15,419,688 |
| Trade and other receivables and prepayments | 9 | 8,705,769 | 7,975,716 |
| Bills receivables | 9 | 3,466,704 | 3,247,158 |
| Loan receivable | | – | 721,591 |
| Equity instruments at fair value through profit or loss | | 6,923,437 | 8,905,029 |
| Debt instruments at fair value through other comprehensive income | | 14,461 | – |
| Financial assets at fair value through profit or loss | | 11,720 | – |
| Taxation recoverable | | 31,754 | 32,626 |
| Restricted bank deposits | | 2,207 | 10,089 |
| Cash and cash equivalents | | 3,894,324 | 4,088,322 |
| | | <u>39,500,965</u> | <u>44,175,808</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued*At 31 December 2024*

| | <i>Notes</i> | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|--------------|--------------------------------|--------------------------------|
| Current liabilities | | | |
| Trade and other payables | <i>10</i> | 6,643,806 | 6,311,534 |
| Bills payables | <i>10</i> | 628,069 | 661,797 |
| Contract liabilities | | 1,259,369 | 1,668,243 |
| Dividends payable | | 541,567 | 780,607 |
| Taxation payable | | 1,474,227 | 1,352,201 |
| Bank borrowings – amount due within one year | | 8,959,874 | 8,145,695 |
| Lease liabilities | | 4,266 | 3,044 |
| | | <u>19,511,178</u> | <u>18,923,121</u> |
| Net current assets | | <u>19,989,787</u> | <u>25,252,687</u> |
| Total assets less current liabilities | | <u>78,273,476</u> | <u>80,045,405</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 786,090 | 831,828 |
| Bank borrowings – amount due after one year | | 12,736,225 | 14,776,988 |
| Lease liabilities | | 11,914 | 1,967 |
| | | <u>13,534,229</u> | <u>15,610,783</u> |
| Net assets | | <u>64,739,247</u> | <u>64,434,622</u> |
| Capital and reserves | | | |
| Share capital | | 110,831 | 110,831 |
| Reserves | | 59,713,943 | 59,630,530 |
| Equity attributable to owners of the Company | | 59,824,774 | 59,741,361 |
| Non-controlling interests | | 4,914,473 | 4,693,261 |
| Total equity | | <u>64,739,247</u> | <u>64,434,622</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 (the “Stock Exchange”) 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 Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period 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 the consolidated financial statements.

2. 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 the executive directors of the Company, who are the Chief Operating Decision Makers (“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 six main operating divisions – (i) laminates, (ii) PCBs, (iii) chemicals, (iv) properties, (v) investments (mainly investment income from debt instruments at fair value through other comprehensive income and equity instruments at fair value through profit or loss) and (vi) others (mainly including service income, manufacture and sale of magnetic products and hotel business).

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 results represent the profit earned by/loss from each segment with certain items not included (share of result of an associate, share of results of joint ventures, finance costs, share-based payments, impairment losses under expected loss model on loan receivable and unallocated corporate income and expenses). This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

2. SEGMENT INFORMATION – continued

Segment revenue and results by reportable segments are presented below:

For the year ended 31 December 2024

| | Laminates <i>HK\$'000</i> | PCBs <i>HK\$'000</i> | Chemicals <i>HK\$'000</i> | Properties <i>HK\$'000</i> | Investments <i>HK\$'000</i> | Others <i>HK\$'000</i> | Eliminations <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|---|------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------------|---------------------------------|---------------------------------|
| Segment revenue | | | | | | | | |
| External sales | 15,263,147 | 12,106,976 | 12,779,405 | 1,973,728 | 552,367 | 417,629 | – | 43,093,252 |
| Inter-segment sales | <u>3,638,388</u> | <u>–</u> | <u>838,304</u> | <u>–</u> | <u>–</u> | <u>13,205</u> | <u>(4,489,897)</u> | <u>–</u> |
| Total | <u>18,901,535</u> | <u>12,106,976</u> | <u>13,617,709</u> | <u>1,973,728</u> | <u>552,367</u> | <u>430,834</u> | <u>(4,489,897)</u> | <u>43,093,252</u> |
| Result | | | | | | | | |
| Segment results | <u>2,104,519</u> | <u>1,359,544</u> | <u>595,165</u> | <u>860,954</u> | <u>(190,805)</u> | <u>(2,130)</u> | | 4,727,247 |
| Unallocated corporate income | | | | | | | | 29,953 |
| Unallocated corporate expenses | | | | | | | | (321,022) |
| Impairment losses under expected credit loss model on loan receivable | | | | | | | | (721,591) |
| Finance costs | | | | | | | | (1,116,358) |
| Share of results of joint ventures | | | | | | | | 18,110 |
| Share of result of an associate | | | | | | | | <u>105,647</u> |
| Profit before taxation | | | | | | | | <u>2,721,986</u> |

2. SEGMENT INFORMATION – continued

For the year ended 31 December 2023

| | Laminates <i>HK\$'000</i> | PCBs <i>HK\$'000</i> | Chemicals <i>HK\$'000</i> | Properties <i>HK\$'000</i> | Investments <i>HK\$'000</i> | Others <i>HK\$'000</i> | Eliminations <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|---|------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------------|---------------------------|---------------------------------|---------------------------------|
| Segment revenue | | | | | | | | |
| External sales | 13,730,259 | 11,647,776 | 10,567,369 | 2,752,147 | 530,025 | 484,923 | – | 39,712,499 |
| Inter-segment sales | <u>3,452,433</u> | <u>–</u> | <u>631,483</u> | <u>–</u> | <u>–</u> | <u>5,315</u> | <u>(4,089,231)</u> | <u>–</u> |
| Total | <u>17,182,692</u> | <u>11,647,776</u> | <u>11,198,852</u> | <u>2,752,147</u> | <u>530,025</u> | <u>490,238</u> | <u>(4,089,231)</u> | <u>39,712,499</u> |
| Result | | | | | | | | |
| Segment results | <u>1,571,625</u> | <u>1,316,141</u> | <u>605,765</u> | <u>496,585</u> | <u>868,864</u> | <u>4,011</u> | | 4,862,991 |
| Unallocated corporate income | | | | | | | | 249,190 |
| Unallocated corporate expenses | | | | | | | | (358,096) |
| Impairment losses under expected credit loss model on loan receivable | | | | | | | | (893,907) |
| Finance costs | | | | | | | | (1,124,463) |
| Share-based payments | | | | | | | | (124,008) |
| Share of results of joint ventures | | | | | | | | 85,626 |
| Share of result of an associate | | | | | | | | <u>90,378</u> |
| Profit before taxation | | | | | | | | <u>2,787,711</u> |

Inter-segment sales are charged on a cost-plus basis with an arm's length margin.

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

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 interest income and dividend income, the principal place of business of the debtor or investee:

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| The PRC (country of domicile) | 37,597,197 | 34,652,221 |
| Other Asian countries (including Thailand, Japan, Korea and Singapore) | 2,528,278 | 2,531,228 |
| Europe | 1,930,716 | 1,853,185 |
| America | <u>1,037,061</u> | <u>675,865</u> |
| | <u>43,093,252</u> | <u>39,712,499</u> |

No single external customer of the Group contributed over 10% of the Group's revenue for each of the years ended 31 December 2024 and 2023.

3. OTHER INCOME, GAINS AND LOSSES

| | 2024 | 2023 |
|---|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Other income, gains and losses includes: | | |
| Interest income on bank balances and deposits | 59,584 | 112,456 |
| Interest income on entrusted loans | 9,161 | 11,939 |
| Interest income from loan receivable | – | 144,262 |
| Government grants | 74,910 | 59,612 |
| Loss on disposal and written off of property, plant and equipment | (17,244) | (30,479) |
| Others | 29,861 | 21,144 |
| | <u>156,272</u> | <u>318,934</u> |

4. FINANCE COSTS

| | 2024 | 2023 |
|--|------------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Interest on bank borrowings | 1,149,935 | 1,148,839 |
| Interest on lease liabilities | 491 | 329 |
| Less: Amounts capitalised in the properties held for development | (13,040) | (13,170) |
| Amounts capitalised in the construction in progress | (21,028) | (11,535) |
| | <u>1,116,358</u> | <u>1,124,463</u> |

Bank borrowing costs capitalised during the year include bank borrowing costs arising from the general borrowing pool which were calculated by applying a weighted average capitalisation rate of 4.84% (2023: 5.04%) per annum to expenditure on qualifying assets.

5. DEPRECIATION

During the year, depreciation of approximately HK\$1,933 million (2023: HK\$1,930 million) was charged in respect of the Group's property, plant and equipment.

6. INCOME TAX EXPENSE

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| The amount comprises: | | |
| PRC Enterprise Income Tax (“EIT”) | 509,873 | 312,617 |
| PRC Land Appreciation Tax (“LAT”) | 2,151 | 40,468 |
| Hong Kong Profits Tax | 11,169 | 12,485 |
| Taxation arising in other jurisdictions | 46,368 | 50,470 |
| Withholding tax in the PRC | 100,594 | 158,841 |
| Under/(Over) provision in previous years | 43,852 | (1,479) |
| | <u>714,007</u> | <u>573,402</u> |
| Deferred taxation | (95,352) | (129,793) |
| | <u>618,655</u> | <u>443,609</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%–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, 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 of the Company in the PRC obtained official endorsement as a High-New Technology Enterprise and with the expiry dates on or before 2026 (2023: 2025).

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.

7. DIVIDENDS

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|--------------------------------|--------------------------------|
| Dividends declared and/or paid | | |
| 2024 Interim dividend of HK40 cents (2023: HK16 cents) per ordinary share | 443,325 | 177,330 |
| 2023 Final dividend of HK36 cents (2022: HK75 cents) per ordinary share | 398,992 | 831,234 |
| 2023 Special interim dividend of HK50 cents per ordinary share (2024: Nil) | – | 554,155 |
| | <u>842,317</u> | <u>1,562,719</u> |
| Dividends proposed | | |
| 2024 Final dividend of HK54 cents (2023: HK36 cents) per ordinary share | 598,488 | 398,992 |
| 2024 Special final dividend of HK46 cents (2023: Nil) per ordinary share | 509,823 | – |
| | <u>1,108,311</u> | <u>398,992</u> |

The final dividend of HK54 cents per ordinary share and the special final dividend of HK46 cents per ordinary share amounted to HK\$598,488,000 and HK\$509,823,000 in respect of the year ended 31 December 2024 (2023: final dividend of HK36 cents per ordinary share amounted to HK\$398,992,000 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.

8. EARNINGS PER SHARE

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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|--------------------------------|--------------------------------|
| Earnings for the purpose of basic and diluted earnings per share | <u>1,630,329</u> | <u>2,062,971</u> |
| | Number of shares | |
| | 2024 | 2023 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 1,108,311,736 | 1,108,464,448 |
| Effect of dilutive potential ordinary shares arising from share options | – | 2,412 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | <u>1,108,311,736</u> | <u>1,108,466,860</u> |

Note: The Company’s certain 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 year presented.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS, ENTRUSTED LOANS AND BILLS RECEIVABLES

| | 2024 | 2023 |
|--|-------------------------|-------------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Trade receivables | 8,123,682 | 7,634,086 |
| Less: Allowance for credit losses | <u>(938,732)</u> | <u>(1,090,600)</u> |
| Trade receivables, net | 7,184,950 | 6,543,486 |
| Advance to suppliers | 204,025 | 202,419 |
| Entrusted loans (<i>Note</i>) | 148,066 | 199,287 |
| Prepayment and deposits | 344,389 | 318,147 |
| Value added tax recoverables | 744,227 | 713,472 |
| Other receivables | <u>214,852</u> | <u>180,257</u> |
| | 8,840,509 | 8,157,068 |
| Less: Non-current portion of entrusted loans (<i>Note</i>) | <u>(134,740)</u> | <u>(181,352)</u> |
| | <u>8,705,769</u> | <u>7,975,716</u> |

As at 1 January 2023, the gross carrying amount of trade receivables from contracts with customers amounted to HK\$7,989,399,000 with allowance for credit losses of HK\$1,176,760,000.

Note:

The entrusted loans of HK\$148,066,000 (2023: HK\$199,287,000) are due from certain purchasers of properties developed by the Group in the PRC through four (2023: four) commercial banks in the PRC (the “Lending Agents”). The entrusted loans carry interest at variable rates ranging from 3.43% to 4.9% (2023: 3.43% to 4.9%) per annum, payable on monthly basis and the principal will be payable on or before 2034 (2023: 2034). The purchasers of the Group’s properties has pledged to the Lending Agents the respective properties purchased. These properties are located in Kunshan, PRC.

As at 31 December 2024, entrusted loans amounting to HK\$134,740,000 (2023: HK\$181,352,000) are in respect of repayments due after 12 months from the end of the reporting period and are classified as non-current assets.

The Group allows credit period 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 | 2023 |
|---------------|-------------------------|-------------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 0–90 days | 6,101,162 | 5,568,742 |
| 91–120 days | 832,632 | 736,458 |
| 121–150 days | 163,310 | 145,090 |
| 151–180 days | 22,168 | 23,904 |
| Over 180 days | <u>65,678</u> | <u>69,292</u> |
| | <u>7,184,950</u> | <u>6,543,486</u> |

Bills receivables of the Group are all aged within 90 days (2023: 90 days) based on invoice date at the end of the reporting period.

10. TRADE AND OTHER PAYABLES AND BILLS PAYABLES

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

| | 2024 | 2023 |
|---------------|------------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 0–90 days | 2,080,291 | 2,082,362 |
| 91–180 days | 377,978 | 369,882 |
| Over 180 days | 309,435 | 338,286 |
| | <u>2,767,704</u> | <u>2,790,530</u> |

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. Included in bills payables as at 31 December 2024 was payables for acquisition of property, plant and equipment of HK\$107,380,000 (2023: HK\$109,343,000).

BUSINESS REVIEW

On behalf of the board of directors (the “Board”), I am delighted to present to our shareholders the financial results of Kingboard Holdings Limited and its subsidiaries (the “Group”) for the year ended 31 December 2024 (the “Period”). Despite the challenges posed by geopolitical conflicts and the impact of high interest rates on various industries, the Group has effectively navigated these complex market dynamics by leveraging its management experience, vertical value-chain advantage, and diversified business portfolio. The Group has demonstrated strong resilience and risk resistance capabilities, delivering a set of robust results, highlighted by a 9% year-on-year increase in revenue to HK\$43,093.3 million.

During the Period, the electronics industry emerged from the bottom of the cycle and ushered in a new round of growth opportunities. This positive momentum was further driven by the rapid development of the automotive electronics and artificial intelligence (AI) sectors, which spurred significant demand growth. In addition, improved demand forecasts from downstream clients have prompted active restocking in various downstream sectors. As a result, both the Laminates and Printed Circuit Boards (“PCB”)s segments recorded year-on-year growth in revenue and profits. The Property Division delivered a stable performance with an annual rental income of over HK\$1,400 million, providing the Group with a steady cash inflow. After deducting allowances for credit loss on a loan to Country Garden Holdings Company Limited made by the Group and for investments in bonds issued by Guangzhou R&F Properties Co., Ltd., totalling HK\$1,420 million approximately, as well as the allowance for impairment loss (net of deferred tax) on unsold residential properties in eastern China held by the Group, in the amount of HK\$220 million approximately, the Group registered an underlying net profit of HK\$1,622 million. Despite a 29% year-on-year decline in underlying net profit due to provisions for losses related to the property business, the Group’s foundation remains solid. Both the Laminates and PCBs divisions performed well, and the Group continues to maintain a healthy capital structure and financial position.

The Board has proposed the payment of a final dividend of HK54 cents per share and a special final dividend of HK46 cents per share, subject to approval by the shareholders.

FINANCIAL HIGHLIGHTS

| | FY2024 <i>HK\$'million</i> | FY2023 <i>HK\$'million</i> | Change |
|---|--------------------------------------|--------------------------------------|---------------|
| Revenue | 43,093.3 | 39,712.5 | +9% |
| EBITDA* | 5,865.0 | 6,139.0 | -4% |
| Profit before tax* | 2,754.3 | 3,025.2 | -9% |
| Net profit attributable to owners of the Company | | | |
| – Underlying net profit* | 1,622.0 | 2,274.3 | -29% |
| – Reported net profit | 1,630.3 | 2,063.0 | -21% |
| Basic earnings per share | | | |
| – Based on underlying net profit* | HK\$1.464 | HK\$2.052 | -29% |
| – Based on reported net profit | HK\$1.471 | HK\$1.861 | -21% |
| Dividend per share for the year | HK140 cents | HK102 cents | +37% |
| – Interim dividend per share | HK40 cents | HK16 cents | +150% |
| – Special interim dividend per share | – | HK50 cents | N/A |
| – Proposed final dividend per share | HK54 cents | HK36 cents | +50% |
| – Proposed special final dividend per share | HK46 cents | – | N/A |
| Net asset value per share | HK\$54.0 | HK\$53.9 | – |
| Net gearing | 28% | 29% | |

* Excluding:

- (1) In 2024, net loss on fair value changes of investment properties with gross amount of HK\$32.3 million, net gain amount of HK\$8.3 million after share by non-controlling shareholders and deferred tax (2023: Net loss on fair value changes of investment properties with gross amount of HK\$113.4 million, net amount of HK\$100.1 million after share by non-controlling shareholders and deferred tax).
- (2) In 2023, share-based payments with a gross amount of HK\$124 million, and a net amount of HK\$111.2 million after share of non-controlling shareholders (2024: Nil).

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. Annual laminate sales volume increased to 110 million sheets, an increase of 10% as compared with 2023. Revenue of the Laminates Division increased by 10% to HK\$18,901.5 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") increased by 23% to HK\$3,064 million.

PCBs Division: The division continued to expand its presence across various sectors, including automotive, telecommunications and consumer electronics. Demand for PCBs also grew in parallel with the rapid development of the AI industry and the increased integration of electronic and smart applications in the automotive sector. Meanwhile, the Group's PCBs Division has consistently onboarded expert management and professional technical talent for its PCB factories to develop high-end offerings, building a higher value-added product portfolio for the division. The Group also adopted a modern manufacturing execution system ("MES") to enable precise quality tracking and analysis across the entire manufacturing process in order to drive improvements in production efficiency and product quality. With a focus on market demand and efficiency, the management team achieved cost efficiencies through continuous technical improvements and increased automation of facilities. These efforts collectively drove a 1% EBITDA growth to HK\$2,033.3 million, coupled with 4% growth in segment revenue to HK\$12,107.0 million. Although 2024 remained a challenging year in terms of the operating environment, the PCBs Division still delivered a record-high profit for the Kingboard Group, underscoring the remarkable success of the division's development.

Chemicals Division: During the Period, segment revenue (including inter-segment sales) posted 22% growth to HK\$13,617.7 million, driven by the commissioning of the 450,000-tonne per annum phenol acetone and the 240,000-tonne per annum bisphenol A projects in Daya Bay, Huizhou, Guangdong Province. Also contributing to this growth was an increase in sales volume of core chemical products, including acetic acid and caustic soda. As a result, EBITDA grew 2% to HK\$910.3 million.

Property Division: The Property Division saw a decrease in revenue from property sales by 60% to HK\$516.7 million during the Period, attributable to reduced delivery of residential properties. Rental income remained stable and decreased slightly by 1% to HK\$1,457.0 million. Segment revenue of the Property Division declined by 28% to HK\$1,973.7 million, while EBITDA was HK\$1,164.1 million, similar to the same period in 2023.

LIQUIDITY AND CAPITAL RESOURCES

The Group's consolidated financial and liquidity position remained robust. As at 31 December 2024, Group net current assets and current ratio (i.e., current assets divided by current liabilities) were HK\$19,989.8 million (31 December 2023: HK\$25,252.7 million) and 2.02 (31 December 2023: 2.33) respectively.

The net working capital cycle increased to 71 days, as at 31 December 2024, from 65 days, as at 31 December 2023, on the following key metrics:

- Inventories, in terms of stock turnover days, were 45 days (31 December 2023: 43 days).
- Trade receivables, in terms of debtor turnover days, were 61 days (31 December 2023: 60 days).
- Trade and bills payable (excluding bills payable for property, plant and equipment), in terms of creditor turnover days, were 35 days (31 December 2023: 38 days).

The Group's net gearing ratio (ratio of bank borrowings net of bank balances and cash to total equity) was approximately 28% (31 December 2023: 29%). The ratio of short-term to long-term bank borrowings stood at 41%:59% (31 December 2023: 36%:64%). During the Period, the Group invested approximately HK\$4 billion in production capacity and HK\$600 million in property construction expenses. Management firmly believes these investments will generate stable and satisfactory long-term returns for shareholders. Meanwhile, the Group remains committed to a prudent financial management policy. Throughout the Period, the Group did not 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 global workforce of approximately 33,000 (31 December 2023: 34,000). Recognising the significance of staff members as a valuable asset, the Group continues to implement sound human resources management and planning practices, which increasingly contribute to delivering satisfactory results. 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 individual employee performance. Meanwhile, over the years, the Kingboard Management Academy has been instrumental in actively nurturing mid-rank and senior management personnel. And every year the Group recruits and nurtures several hundred promising university graduates from diverse locations worldwide. The Group is dedicated to implementing training programmes for various talent types in order to infuse fresh energy into long-term development and to propel the Group's sustained growth.

PROSPECTS

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 an aggregate investment of HK\$900 million up to 31 December 2024, the Group has successfully installed an annual generating capacity of 200 million kWh of green electricity thereafter, resulting in energy savings equivalent to 54,000 tonnes of standard coal and a reduction in carbon dioxide emissions of 120,000 tonnes. This initiative is expected to translate into annual electricity bill savings of HK\$180 million based on the current market price. In respect of thermal energy recovery, as at 31 December 2024 the Group's investments totalled HK\$200 million. These investments resulted in a reduction in carbon dioxide emissions by 59,000 tonnes during 2024, which is equivalent to energy savings of 24,000 tonnes of standard coal and cost savings totalling HK\$180 million. Coupled with cumulative cost savings of HK\$300 million as at 31 December 2023, cumulative cost savings of more than HK\$480 million had been achieved as at 31 December 2024. These savings will bring long-term benefits to the Group. In addition, the Hebei acetic acid project is utilising an advanced and energy-efficient carbon capture technology developed by the School of Environment at Tsinghua University, to capture and recycle 200,000 tonnes of carbon dioxide annually. All captured carbon dioxide is reused in the acetic acid production system, resulting in annual energy savings equivalent to 80,000 tonnes of standard coal. The Hebei project enables carbon capture from flue gases in its coal-fired plant, and is currently the largest of its kind in the chemical industry nationwide. The technology has been certified as meeting the highest international standards. This initiative supports the Group's green transformation and demonstrates its total commitment to achieving its environmental, social and governance (ESG) goals.

As 2025 dawns, the management believes that geopolitical tensions will persist, and that the performance of industries worldwide will fluctuate under the shadow of protectionism and trade wars, posing even greater challenges to business operations. Amidst this uncertain business environment, the Group will remain steadfast in strengthening cash flow and expenses management. The Group will continue to implement its strategy of maintaining a diversified and synergistic business portfolio, while leveraging the competitive advantage of its vertical production model. Strict cost control measures will remain in place as the Group works to boost technological impetus and proactively deploy big data management to enhance operational efficiency. Furthermore, R&D upgrades, safe production, environmental performance improvements, and the promotion of new-quality productivity will remain top priorities for the Group.

Laminates Division: 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 their 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 Lianzhou facility 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 Group'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.

PCBs Division: The management has full confidence in the business prospects for the PCBs Division. The Group possesses multiple strengths, including technical prowess, comprehensive certification, and superior quality, across multiple sectors such as automotive, telecommunications, and consumer electronics. The division currently has a solid order book, with both business volume and profits for the first two months showing significant year-on-year growth. The electronics market is generating strong demand for PCBs, driven by emerging applications such as AI, high-speed computing, and electric vehicles. The development of the large language model has driven a surge in data processing demand, accelerating the iteration of hardware such as servers and switches and injecting new vitality into the PCB industry. At the same time, the proliferation of electric vehicles has led to increased complexity in electronic control systems, significantly boosting the usage of PCBs. The Group has equipped itself with technologies related to PCB manufacturing for 6G communication, mmWave radar, automotive high-end common control units, and AI servers. The Group will further enhance collaboration with clients to build a close-knit working ecosystem. At the same time, the division will continue to strengthen the core competencies of its PCB brands, including Elec & Eltek, Techwise Circuits and Express Electronics. A new project is currently underway to add 1.2 million square feet of monthly PCB capacity in Thailand, which is expected to commence operations in 2026. Another project to add 1.1 million square feet of monthly PCB capacity in Vietnam is also expected to be fully operational in 2026. These facilities are strategically located, and the additional capacity will meet the growing overseas demand. These additions will further enhance the market penetration of Kingboard's PCB network and optimise the Group's strategic position in downstream businesses.

Chemicals Division: As 2025 gets underway, market conditions for the Chemicals Division's major products have improved compared to the same period last year, with the caustic soda industry enjoying particularly strong momentum. The national focus for 2025 remains on strengthening ecological and environmental protection and promoting a transformation towards green development. The Chemicals Division will spare no effort to ensure production safety and compliance with emission standards. At the same time, it will focus on improving facility efficiency and optimising resource utilisation to reduce energy consumption. The caustic soda project currently underway in Beihai City, Guangxi, will have an annual capacity of 340,000 tonnes. In its first phase, an annual capacity of 200,000 tonnes is expected to come online by the end of 2025. The industrial park where this project is located already has sufficient demand capacity to absorb its output, such that the caustic soda products can be transported to clients over short distances or through pipelines, reducing transportation costs. Strong competitiveness is evident as the average selling price of caustic soda produced in this facility is higher than that in the Hengyang area. Meanwhile, the acetic acid project in Xingtai City, Hebei Province, with an annual capacity of 800,000 tonnes, was commissioned in early 2025. This project also utilises the advanced energy-efficient carbon capture technology developed by the School of Environment at Tsinghua University. The current daily production of 1,700 tonnes is expected to be ramped up to 2,000 tonnes daily beginning in April, contributing to an annual output of RMB3 billion. This new project will help expand the Group's chemical business footprint. Looking ahead, the Chemicals Division remains committed to driving enterprise transformation, upgrading, and high-quality development characterised by green and low-carbon practices.

Property Division: The division will continue to adopt a prudent business strategy, having made no additions to its land reserve over the past six years. The new initiative to rent out some of the unsold inventories in eastern China has met with strong market acceptance. The Puan Garden project in Huaqiao, Kunshan, for example, has achieved a rental occupancy rate of over 90%, providing an additional cash inflow for the Group. With these encouraging results, the Group will take forward plans to lease out other residential projects held for sale to generate rental income. The Group has strategically balanced its investment property portfolio across the United Kingdom, Hong Kong, east China and southern China, contributing to risk diversification and ensuring a continuous and stable cash flow. Total rental income for 2025 is expected to exceed HK\$1,400 million.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to all shareholders, clients, banks, management, and staff for their unwavering support for the Group during the Period.

FINAL DIVIDEND

The proposed final dividend of HK54 cents per share and proposed special final dividend of HK46 cents per share, 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 Friday, 4 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 had adopted and complied with the code provisions as set out in Part 2 of 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"). Having made specific enquiry of all Directors, each Director has confirmed that he or she had 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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2024.

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 Holdings Limited
Cheung Kwok Wing
Chairman

Hong Kong, 24 March 2025

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