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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)

INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended 30 June	
	2025	**2024**
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	2,856,080	1,721,463
Other comprehensive income (expenses) for the period:		
Item that will not be reclassified to profit or loss:		
Translation reserve:		
Exchange differences arising from translation to presentation currency	1,356,578	(692,697)
Items that may be reclassified subsequently to profit or loss:		
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	–	6,279
Fair value loss on debt instruments measured at fair value through other comprehensive income	(27,558)	(32,983)
Reclassify to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	–	(4,930)
	(27,558)	(31,634)
Other comprehensive income (expenses) for the period	1,329,020	(724,331)
Total comprehensive income for the period	4,185,100	997,132
Total comprehensive income for the period attributable to:		
Owners of the Company	3,846,546	815,414
Non-controlling interests	338,554	181,718
	4,185,100	997,132

Condensed Consolidated Statement of Financial Position

	Notes	30 June 2025 HK$'000 (Unaudited)	31 December 2024 HK$'000 (Audited)
Non-current assets			
Investment properties		27,178,934	25,993,955
Property, plant and equipment	*10*	22,081,439	21,286,847
Right-of-use assets		2,167,845	2,032,467
Goodwill		2,670,528	2,670,528
Intangible asset		25,200	28,440
Interest in an associate		431,695	453,154
Interests in joint ventures		2,373,486	2,373,457
Equity instruments at fair value through profit or loss		1,434,444	1,701,572
Debt instruments at fair value through other comprehensive income		840,180	690,880
Entrusted loans	*11*	135,122	134,740
Deposits paid for acquisition of property, plant and equipment		710,286	915,056
Deferred tax assets		2,736	2,593
		60,051,895	58,283,689
Current assets			
Inventories		4,244,551	4,232,930
Properties held for development		11,850,210	12,217,659
Trade and other receivables and prepayments	*11*	9,610,733	8,705,769
Bills receivables	*11*	4,466,211	3,466,704
Equity instruments at fair value through profit or loss		10,302,814	6,923,437
Debt instruments at fair value through other comprehensive income		1,665	14,461
Financial assets at fair value through profit or loss		–	11,720
Taxation recoverable		31,696	31,754
Restricted bank deposits		–	2,207
Cash and cash equivalents		3,113,750	3,894,324
		43,621,630	39,500,965
Current liabilities			
Trade and other payables	*12*	5,486,232	6,643,806
Bills payables	*12*	544,626	628,069
Financial liabilities at fair value through profit or loss		19,295	–
Contract liabilities		1,527,957	1,259,369
Dividend payable		1,517,656	541,567
Taxation payable		1,489,427	1,474,227
Bank borrowings – amount due within one year		11,046,335	8,959,874
Lease liabilities		3,986	4,266
		21,635,514	19,511,178
Net current assets		21,986,116	19,989,787
Total assets less current liabilities		82,038,011	78,273,476

	30 June 2025 *HK$'000* (Unaudited)	31 December 2024 *HK$'000* (Audited)
Non-current liabilities		
Deferred tax liabilities	747,045	786,090
Bank borrowings – amount due after one year	13,873,973	12,736,225
Lease liabilities	10,301	11,914
	14,631,319	13,534,229
Net assets	67,406,692	64,739,247
Capital and reserves		
Share capital	110,831	110,831
Reserves	62,452,178	59,713,943
Equity attributable to owners of the Company	62,563,009	59,824,774
Non-controlling interests	4,843,683	4,914,473
Total equity	67,406,692	64,739,247

Notes:

1. Basis of Preparation

The condensed consolidated financial statements have 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") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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 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, 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.

3. Segment information – continued

Segment revenues and results by reportable segments are presented below:

	Laminates	PCBs	Chemicals	Properties	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 2025								
Segment revenue								
External sales	7,717,270	6,451,089	6,223,577	713,116	299,199	204,019	–	21,608,270
Inter-segment sales	2,042,686	–	441,604	–	–	1,842	(2,486,132)	–
Total	9,759,956	6,451,089	6,665,181	713,116	299,199	205,861	(2,486,132)	21,608,270
Result								
Segment result	1,194,307	827,496	174,785	189,732	1,294,589	(4,059)		3,676,850
Unallocated corporate income								22,650
Unallocated corporate expenses								(192,991)
Finance costs								(450,290)
Share of results of joint ventures								42,689
Share of result of an associate								75,112
Profit before taxation								3,174,020

	Laminates	PCBs	Chemicals	Properties	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 2024								
Segment revenue								
External sales	7,072,430	5,811,301	6,110,552	919,869	289,417	211,591	–	20,415,160
Inter-segment sales	1,810,775	–	404,835	–	–	2,253	(2,217,863)	–
Total	8,883,205	5,811,301	6,515,387	919,869	289,417	213,844	(2,217,863)	20,415,160
Result								
Segment result	1,129,077	806,326	280,956	557,198	(9,986)	1,551		2,765,122
Unallocated corporate income								38,733
Unallocated corporate expenses								(152,304)
Impairment losses under expected credit loss model on loan receivable								(4,857)
Finance costs								(615,259)
Share of result of joint ventures								41,798
Share of results of an associate								65,469
Profit before taxation								2,138,702

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

4. Depreciation

During the reporting period, depreciation of approximately HK$1,115,870,000 (six months ended 30 June 2024: HK$956,030,000) was charged in respect of the Group's property, plant and equipment.

5. Other income, gains and losses

	Six months ended 30 June	
	2025	**2024**
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income, gains and losses include:		
Interest income from bank balances and deposits	20,088	34,914
Interest income on entrusted loans	3,324	4,846
Government grants	60,720	53,150
(Loss) gain on fair value changes of financial assets	(19,295)	136
Others	2,812	2,489
	67,649	95,535

6. Finance costs

	Six months ended 30 June	
	2025	**2024**
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank borrowings	470,182	631,894
Interest on lease liabilities	366	100
Less: Amounts capitalised in the construction in progress	(6,221)	(6,730)
Amounts capitalised in the properties held for development	(14,037)	(10,005)
	450,290	615,259

Bank borrowing costs capitalised include bank borrowing costs arising from the general borrowing pool which were calculated by applying a weighted average capitalisation rate of 3.40% for the six months ended 30 June 2025 (six months ended 30 June 2024: 4.92%) per annum to expenditure on qualifying assets.

7. Income tax expense

	Six months ended 30 June	
	2025	**2024**
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The amount comprises:		
PRC Enterprise Income Tax ("EIT")	264,098	255,920
PRC Land Appreciation Tax ("LAT")	2,068	722
Hong Kong Profits Tax	1,959	10,712
Taxation arising in other jurisdictions	22,880	22,521
Withholding tax in the PRC	74,185	31,189
	365,190	321,064
Deferred taxation	(47,250)	96,175
	317,940	417,239

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 periods.

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 (2024: 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 certain jurisdictions where the Pillar Two Rules are 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.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

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

8. Interim dividend

The Directors have resolved to declare an interim dividend of HK$0.69 per share for the six months ended 30 June 2025 (2024: interim dividend of HK$0.40 per share for the six months ended 30 June 2024) to 202Ter

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

The Group allows credit period of up to 120 days (31 December

BUSINESS REVIEW

On behalf of the board of directors (the "Board"), I am delighted to present to our shareholders the results of Kingboard Holdings Limited and its subsidiaries (the "Group") for the six months ended 30 June 2025 (the "Period"). During the Period, the electronics market

advtagelts o, th "Gro's vertically integrated businessrt

PCBs Division: During the Period, the Group's PCB factories operated at near full capacity, supported by very strong order pipelines. This performance was driven by sustained demand for electronic products and robust growth in computing infrastructure generated by high-performance computing servers and AI technologies. Ongoing advancements in electric and smart vehicles also provide impetus to order growth. Through coordinated developments across the upstream-to-downstream industrial chain, the Group ensured stable product quality, with its products adopted by renowned international brands. Continuous product development and production efficiency improvements enabled an increase in the proportion of high-end, high-value-added products compared to the previous year, contributing to a year-on-year rise in net profit. The management team consistently refined production techniques and increased facility automation to boost efficiency and reduce costs. Consequently, segment sales grew by 11% to HK$6,451.1 million, while EBITDA rose by 8% to HK$1,217.0 million.

Chemicals Division: During the Period, the Group's acetic acid project in Xingtai City, Hebei Province, with a yearly capacity of 800,000 tonnes, began operations in early 2025. The plant utilises advanced low-energy carbon capture technology developed by Tsinghua University's School of Environment and achieved a daily production capacity of 2,000 tonnes by the second quarter. The Hebei acetic acid plant is projected to achieve an annual output value of RMB3 billion. Sales of the division's another key chemical product, caustic soda, remained robust, with both sales volume and revenue growing year-on-year. Consequently, the division's revenue (including inter-segment sales) rose by 2% to HK$6,665.2 million, while EBITDA increased by 4% to HK$460.5 million.

Property Division: Due to fewer residential property deliveries, property sales revenue fell by 76% to HK$46.4 million during the Period. Rental income also decreased by 9% to HK$666.7 million, primarily attributable to a general market rental downturn and rent-free periods granted for certain newly signed leases. Consequently, the Property Division's revenue decreased by 22% to HK$713.1 million, with EBITDA down by 66% to HK$189.7 million after deducting an impairment loss provision of approximately HK$323.5 million for the unsold residential properties held in the East China region.

LIQUIDITY AND CAPITAL RESOURCES

The Group's consolidated financial and liquidity position remained robust. As at 30 June 2025, Group net current assets and current ratio (i.e., current assets divided by current liabilities) were HK$21,986.1 million (31 December 2024: HK$19,989.8 million) and 2.02 (31 December 2024: 2.02) respectively.

The net working capital cycle increased to 75 days, as at 30 June 2025, from 71 days, as at 31 December 2024, on the following key metrics:

– Inventories, in terms of stock turnover days, were 44 days (31 December 2024: 45 days).

– Trade receivables, in terms of debtor turnover days, were 66 days (31 December 2024: 61 days).

– Trade and bills payable (excluding bills payable for property, plant and equipment), in terms of creditor turnover days, were 35 days (31 December 2024: 35 days).

The Group's net gearing ratio (ratio of bank borrowings net of bank balances and cash to total equity) was approximately 32%

PROSPECTS

Laminates Division: Entering 2025, robust demand from the electronics market, driven by the rise of AI technologies, has fueled the vigorous growth of multiple industry chains, including cloud data centres, robotics, autonomous driving, and smart wearable devices. The continuous upgrading of high-speed networks is further stimulating demand for electronic products. Benefiting from vertical integration and economies of scale, the Group is able to offer competitive product pricing. And through lean production, and a market-led and R&D-supported strategy, the Group is now expanding its market share of mid-to-high-end products, including high-frequency, high-speed, mid-to-high heat-resistant, halogen-free, and prepreg materials. The Group has also upgraded its laminates R&D centre, equipping it with cutting-edge technology. The centre has successfully developed various high-frequency, high-speed products for GPU motherboards in AI servers. Through coordinated development across its vertical industrial chain, the Group has engineered HVLP3 copper foil for AI servers and ultra-thin VLP copper foil for IC packaging substrates. By collaborating closely with premium customers, the Group has secured product certification among end-users. Its high-end laminate products have been certified for use by several world-leading Tier 1 automotive component manufacturers and key domestic and international telecommunications clients, positioning the Group to comprehensively meet the diverse needs of downstream customers in the future. Low Dk fibreglass yarn, used in high-end telecommunications, particularly for 5G, 6G communications, and AI servers, is currently in high demand with supply falling short. To address this, the first kiln for producing Low Dk fibreglass yarn at the Group's facility in Qingyuan City, Guangdong Province, already commenced production in the first half of 2025. Additional three kilns will begin producing Low Dk fibreglass yarn in the second half of 2025, including higher-value-added, second-generation Low Dk fibreglass yarn to meet the high-performance computing requirements driven by 5G, 6G communications and AI deployment. In 2026, the Group will construct

PCBs Division: Driven by ongoing digital and intelligent transformation, the PCB industry is rapidly shifting toward high-performance, high-frequency, and green manufacturing. The Group will continue to actively develop higher-layer-count and advanced high-density interconnect (HDI) PCBs. Possessing superior craftsmanship, comprehensive certifications, and excellent quality capabilities, the Group holds multiple advantages in sectors such as automotive, telecommunications, and consumer electronics. The rise of Large Language Models (LLMs) has driven a surge in data processing demands, accelerating iterative hardware operations for servers and switches, 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. Kingboard Group has equipped itself with technologies related to PCB manufacturing for 6G wireless communications, AI servers, low-orbit satellites, 4D imaging mmWave radar, automotive high-end common control units, high-voltage fast-charging systems for new energy vehicles, and intelligent robots. The division will continue to strengthen the core competencies of its PCB brands, including Elec & Eltek, Techwise Circuits and Express Electronics. A project to expand monthly PCB production capacity by 1.2 million square feet in Thailand is set to commence operations in the second half of 2026. In Vietnam, a project to increase monthly PCB production capacity by 1.1 million square feet, with the first phase of 600,000 square feet per month, is expected to start production in the first half of 2026. The capacities to meet growing overseas customer demand and establish a broader Kingboard PCB network with greater industry penetration. The Group remains highly confident in the future prospects of its PCB business.

Chemicals Division: Strengthening environmental protection and promoting green transformation remain key national priorities for 2025. The Chemicals Division will spare no effort in ensuring production safety and compliance with emission standards while focusing on enhancing production efficiency and optimising resource use to reduce energy consumption. The caustic soda industry, a core product of the Chemicals Division, continues to enjoy robust market demand. The Group is developing a caustic soda project with an annual capacity of 340,000 tonnes in Beihai City, Guangxi, with the first phase of 200,000 tonnes set to commence production in the first half of 2026. Located in an industrial park with sufficient customer demand to absorb the capacity, all caustic soda products can be delivered via short-haul transport or pipelines, reducing transportation costs. Moreover, the average selling price of caustic soda in this region is higher than that in Hengyang, offering a distinct market advantage and supporting the Group's continued expansion of its chemical business. The Chemicals Division remains committed to harnessing technological innovation to drive enterprise upgrading and green, low-carbon, high-quality development.

Property Division: Having made no additions to its land reserves over the past six years, the division will continue to pursue a prudent business strategy. Certain residential projects in eastern China have successfully adopted a leasing-over-sale strategy, with the Puan Garden project in Huaqiao, Kunshan, achieving a 99% rental occupancy rate, generating cash inflows for the Group. The Group's investment properties, distributed across the eastern China, southern China, Hong Kong and United Kingdom, effectively diversify risk, with rental income providing a stable and consistent cash flow for the Group.

APPRECIATION

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 16 December 2025 to Wednesday, 17 December 2025 (both days inclusive) during which period no transfers of shares will be registered. In order to qualify for receiving the interim dividend, the Company's shareholders are reminded to ensure that all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:00 p.m. on Monday, 15 December 2025.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

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 unaudited interim financial statements of the Group for the six months ended 30 June 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had 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 six months ended 30 June 2025.