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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)

INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS			
	Six months ended 30 June		
	2025	2024	Change
	HK\$'million	HK\$'million	
Revenue	9,588.0	8,638.2	+11%
EBITDA	1,699.4	1,569.7	+8%
Profit before tax	1,171.3	957.5	+22%
Net profit attributable to owners of the Company	933.3	727.8	+28%
Basic earnings per share	HK29.9 cents	HK23.3 cents	+28%
Interim dividend per share	HK15.0 cents	HK12.0 cents	+25%
Net asset value per share	HK\$4.79	HK\$4.88	-2%
Net gearing	20%	17%	

The board of directors (the “Board”) of Kingboard Laminates Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Six months ended 30 June	
		2025	2024
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	3	9,588,032	8,638,244
Cost of sales		<u>(7,825,212)</u>	<u>(6,933,746)</u>
Gross profit		1,762,820	1,704,498
Other income, gains and losses	5	33,828	48,900
Distribution expenses		(231,330)	(223,750)
Administrative expenses		(380,484)	(364,176)
Gain (loss) on fair value changes of equity instruments at fair value through profit or loss		73,173	(53,424)
Impairment losses under expected credit loss model on debt instruments at fair value through other comprehensive income		–	(742)
Finance costs	6	<u>(86,720)</u>	<u>(153,841)</u>
Profit before taxation		1,171,287	957,465
Income tax expense	8	<u>(237,742)</u>	<u>(228,129)</u>
Profit for the period		<u>933,545</u>	<u>729,336</u>
Profit for the period attributable to:			
Owners of the Company		933,317	727,797
Non-controlling interests		<u>228</u>	<u>1,539</u>
		<u>933,545</u>	<u>729,336</u>
Earnings per share	10		
– Basic		<u>HK\$0.299</u>	<u>HK\$0.233</u>
– Diluted		<u>HK\$0.299</u>	<u>HK\$0.233</u>

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	933,545	729,336
Other comprehensive income (expenses) for the period:		
<i>Item that will not be reclassified to profit or loss:</i>		
Translation reserve:		
Exchange differences arising from translation to presentation currency	223,020	(132,768)
<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	–	742
Fair value gain (loss) on debt instruments at fair value through other comprehensive income	3,449	(3,115)
	3,449	(2,373)
Other comprehensive income (expenses) for the period	226,469	(135,141)
Total comprehensive income for the period	1,160,014	594,195
Total comprehensive income for the period attributable to:		
Owners of the Company	1,159,359	592,832
Non-controlling interests	655	1,363
	1,160,014	594,195

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Investment properties		1,229,547	1,229,135
Property, plant and equipment	<i>11</i>	7,050,183	6,921,000
Right-of-use assets		561,688	561,919
Equity instruments at fair value through profit or loss		519,990	263,931
Debt instruments at fair value through other comprehensive income		249,516	94,652
Deposits paid for acquisition of property, plant and equipment		194,851	236,254
Deferred tax assets		3,496	3,467
Goodwill		238	238
		<hr/> 9,809,509	<hr/> 9,310,596
Current assets			
Inventories		2,659,887	2,655,260
Trade and other receivables and prepayments	<i>12</i>	4,790,124	4,251,573
Bills receivables	<i>12</i>	3,636,465	2,786,704
Properties held for development		105,345	103,802
Equity instruments at fair value through profit or loss		1,754,172	1,539,515
Debt instruments at fair value through other comprehensive income		49	324
Amounts due from fellow subsidiaries		718,043	538,085
Cash and cash equivalents		1,461,212	1,924,271
		<hr/> 15,125,297	<hr/> 13,799,534

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Current liabilities			
Trade and other payables	13	2,397,515	2,314,366
Bills payables	13	325,328	516,196
Contract liabilities		258,011	293,260
Dividend payable		1,560,000	374,400
Lease liabilities		285	554
Amounts due to fellow subsidiaries		46,531	46,681
Taxation payable		553,221	555,064
Bank borrowings – amount due within one year		3,357,547	1,662,897
		<u>8,498,438</u>	<u>5,763,418</u>
Net current assets		<u>6,626,859</u>	<u>8,036,116</u>
Total assets less current liabilities		<u>16,436,368</u>	<u>17,346,712</u>
Non-current liabilities			
Lease liabilities		853	843
Deferred tax liabilities		356,450	360,595
Bank borrowings – amount due after one year		1,109,162	1,615,385
		<u>1,466,465</u>	<u>1,976,823</u>
Net assets		<u>14,969,903</u>	<u>15,369,889</u>
Capital and reserves			
Share capital		312,000	312,000
Reserves		14,629,786	15,030,427
Equity attributable to owners of the Company		14,941,786	15,342,427
Non-controlling interests		28,117	27,462
Total equity		<u>14,696,903</u>	<u>15,369,889</u>

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.

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 a HKFRS Accounting Standard and application of certain accounting policies which became relevant to the Group in the current interim period, 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 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 the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 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. REVENUE

Analysis of revenue for the period is as follows:

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue recognised at a point in time		
Sales of laminates and its upstream materials (<i>Note a</i>)	8,718,166	7,832,585
Sales of properties	1,393	2,791
Sales of specialty resin (<i>Note a</i>)	651,552	591,481
Others	127,152	101,179
Revenue recognised overtime (<i>Note b</i>)	25,224	25,439
	<hr/>	<hr/>
Revenue from contracts with customers	9,523,487	8,553,475
Rental income	17,331	30,224
Interest income from debt instruments	4,987	4,751
Dividend income	42,227	49,794
	<hr/>	<hr/>
	9,588,032	8,638,244
	<hr/>	<hr/>

Notes:

- (a) Sales of laminates, its upstream materials include sales of copper foil, epoxy resin, fibreglass fabric, fibreglass yarn and bleached kraft paper, and sales of specialty resin. The payment terms are ranged from 0 day to 120 days.
- (b) Income from hotel accommodation of HK\$25,224,000 (six months ended 30 June 2024: HK\$25,439,000).

4. SEGMENT INFORMATION

HKFRS 8 “Operating Segments” 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 result represent the profit earned by or loss incurred from each segment with certain items not included (unallocated corporate income and expenses, 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:

Six months ended 30 June 2025	Laminates <i>HK\$’000</i> (Unaudited)	Properties <i>HK\$’000</i> (Unaudited)	Investments <i>HK\$’000</i> (Unaudited)	Consolidated <i>HK\$’000</i> (Unaudited)
Segment revenue	<u>9,496,870</u>	<u>43,948</u>	<u>47,214</u>	<u>9,588,032</u>
Segment results	<u>1,171,968</u>	<u>10,126</u>	<u>119,522</u>	<u>1,301,616</u>
Unallocated corporate income				14,155
Unallocated corporate expenses				(57,764)
Finance costs				<u>(86,720)</u>
Profit before taxation				<u>1,171,287</u>
Six months ended 30 June 2024	Laminates <i>HK\$’000</i> (Unaudited)	Properties <i>HK\$’000</i> (Unaudited)	Investments <i>HK\$’000</i> (Unaudited)	Consolidated <i>HK\$’000</i> (Unaudited)
Segment revenue	<u>8,525,245</u>	<u>58,454</u>	<u>54,545</u>	<u>8,638,244</u>
Segment results	<u>1,116,600</u>	<u>22,593</u>	<u>(788)</u>	<u>1,138,405</u>
Unallocated corporate income				20,164
Unallocated corporate expenses				(47,263)
Finance costs				<u>(153,841)</u>
Profit before taxation				<u>957,465</u>

For the six months ended 30 June 2025, revenue from one of the Group’s customers, being Kingboard Holdings Limited’s subsidiaries, in laminates segment, amounted to HK\$1,738,999,000 (six months ended 30 June 2024: HK\$1,765,743,000), which individually accounted for more than 10% of the Group’s revenue for the period.

5. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Other income, gains and losses include:		
Interest income on bank balances and deposits	8,597	13,966
(Loss) gain on disposal and write off of property, plant and equipment	(5,537)	2,666
Government grants	23,396	24,855
Others	7,372	7,413
	<u>33,828</u>	<u>48,900</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Interest on bank borrowings	92,910	160,534
Interest on lease liabilities	31	37
Less: Amounts capitalised in the construction in progress	<u>(6,221)</u>	<u>(6,730)</u>
	<u>86,720</u>	<u>153,841</u>

7. DEPRECIATION

During the reporting period, depreciation of approximately HK\$433,063,000 (six months ended 30 June 2024: HK\$450,060,000) was charged in respect of the Group's property, plant and equipment.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
The amount comprises:		
The People's Republic of China (the "PRC")		
Enterprise Income Tax	185,523	176,617
The PRC Land Appreciation Tax ("LAT")	–	141
Hong Kong Profits Tax	759	9,211
Taxation arising in other jurisdiction	723	1,794
Withholding tax in the PRC	46,563	17,670
	<hr/>	<hr/>
	233,568	205,433
Deferred taxation		
Charge for the period	4,174	22,696
	<hr/>	<hr/>
	237,742	228,129
	<hr/>	<hr/>

Under the Law of the PRC on Enterprise Income Tax (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, 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, 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 (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 income taxes 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.

9. DIVIDENDS

The Directors have resolved to declare an interim dividend for the six months ended 30 June 2025 of HK15.0 cents per share (six month ended 30 June 2024: interim dividend HK12.0 cents per share) to the shareholders whose names appear on the register of members of the Company on Wednesday, 17 December 2025. The dividend warrants will be dispatched on or around Tuesday, 6 January 2026.

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit for the period attributable to owners of the Company	933,317	727,797
	Number of shares	
	30 June 2025 '000	30 June 2024 '000
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>)	1,117	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,121,117	3,120,000

Note:

For the six months ended 30 June 2025, the computation of diluted earnings per share assumed the exercise of the Company's share options because the exercise price of these share options was lower than the average market price. 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 six months ended 30 June 2024.

11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group had addition of approximately HK\$456,515,000 (six months ended 30 June 2024: HK\$195,371,000) on property, plant and equipment.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS AND BILLS RECEIVABLES

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Trade receivables	4,556,080	4,061,223
Less: Allowance for credit losses	(498,145)	(444,041)
Trade receivables, net	4,057,935	3,617,182
Advance to suppliers	172,566	129,906
Prepaid expenses and deposits	152,201	71,010
Value-added tax (“VAT”) recoverable	213,762	239,463
Other receivables	193,660	194,012
	4,790,124	4,251,573
Bills receivables	3,636,465	2,786,704
	8,426,589	7,038,277

As at 1 January 2024, the gross amount of trade receivables from contracts with customers amounted to HK\$3,565,346,000 with allowance for credit losses of HK\$464,189,000.

The Group allows credit periods of up to 120 days (31 December 2024: 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:

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
0–90 days	3,314,356	3,098,773
91–180 days	673,639	467,055
Over 180 days	69,940	51,354
	4,057,935	3,617,182

Bills receivables of the Group are aged within 90 days (31 December 2024: 90 days) at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

13. TRADE AND OTHER PAYABLES AND BILLS PAYABLES

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Trade payables	777,940	775,711
Accrued expenses	519,324	519,989
Payables for acquisition of property, plant and equipment	167,954	119,523
Other tax payables	589,319	572,878
VAT payables	133,967	135,931
Other payables	209,011	190,334
	<hr/>	<hr/>
	2,397,515	2,314,366
Bills payables (<i>Note</i>)	325,328	516,196
	<hr/>	<hr/>
	2,722,843	2,830,562
	<hr/>	<hr/>

Note:

Included in bills payables as at 30 June 2025 was payables for acquisition of property, plant and equipment of HK\$20,505,000 (31 December 2024: HK\$121,274,000).

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

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
0–90 days	701,773	712,021
91–180 days	26,788	24,774
Over 180 days	49,379	38,916
	<hr/>	<hr/>
	777,940	775,711
	<hr/>	<hr/>

The average credit period on purchase of goods is 90 days (31 December 2024: 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 (31 December 2024: 90 days) at the end of the reporting period.

BUSINESS REVIEW

On behalf of the board of directors (the “Board”), I am delighted to present to our shareholders the results of Kingboard Laminates Holdings Limited and its subsidiaries (the “Group”) for the six months ended 30 June 2025 (the “Period”). During the first half of 2025, the electronics market saw strong demand, fuelled by rapid advancements in high-tech sectors such as artificial intelligence (AI). AI-enabled electronic products exhibited particularly robust demand, driving growth across the upstream-to-downstream chain of the laminates industry. The Group benefits from a vertically integrated supply chain and an extensive customer network. The proportion of high-end, high-value-added product sales continued to rise to meet evolving market demands, with capacity utilisation improving compared to the same period last year. Supported by product price increases, the Laminates Division achieved growth in both revenue and earnings during the Period. The Group’s investment business also posted an increased profit year-on-year. Group revenue grew by 11% year-on-year to HK\$9,588.0 million, with net profit attributable to the Company’s owners increasing by 28% to HK\$933.3 million. In view of the Group’s robust financial position, the Board has resolved to declare an interim dividend of HK15.0 cents per share.

Financial Highlights

	Six months ended 30 June		Change
	2025 <i>HK\$’million</i>	2024 <i>HK\$’million</i>	
Revenue	9,588.0	8,638.2	+11%
EBITDA	1,699.4	1,569.7	+8%
Profit before tax	1,171.3	957.5	+22%
Net profit attributable to owners of the Company	933.3	727.8	+28%
Basic earnings per share	HK29.9 cents	HK23.3 cents	+28%
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Net asset value per share	HK\$4.79	HK\$4.88	-2%
Net gearing	20%	17%	

PERFORMANCE

Laminates Division: During the Period, the positive effects of the central government's policies for stimulating electronics demand gradually materialised, boosting consumption in the traditional electronics market. This growth was further supported by rapid development in the AI industry and continued progress in the area of electric and smart vehicles, which increased demand for laminates. The Period thus saw a 5% year-on-year increase in shipment volume, averaging 9 million sheets monthly. The laminates market has now shifted towards small-volume, high-diversity production. In response, the division actively developed new products to meet varying customer requirements in terms of performance and cost, while exploring new market segments. These efforts resulted in steady progress in product mix optimisation. Growth in data centres and cloud computing drove significant increases in thick copper foil usage. The new phase of the Lianzhou facility, delivering a monthly capacity of 1,500 tonnes of copper foil, became fully operational in the first half of 2025. This expansion substantially improved the Group's cost efficiency. The Laminates Division reported a 11% increase in revenue to HK\$9,496.9 million. The professionalism of the Group's experienced management team contributed to these results through continuous improvements in production techniques that enhanced efficiency, reduced energy consumption, and lowered labour costs via increased automation. As a result, earnings before interest, taxes, depreciation and amortisation ("EBITDA") rose 3% to HK\$1,607.3 million.

Property Division: While the Group continued to pursue a development strategy focused on growing its laminates business, the Property Division derived its primary revenue from rental income during the Period. The division's revenue fell by 25% to HK\$43.9 million, while EBITDA declined by 46% to HK\$16.1 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group's consolidated financial and liquidity position remained robust. As at 30 June 2025, Group's net current assets and current ratio (current assets divided by current liabilities) were approximately HK\$6,626.9 million (31 December 2024: HK\$8,036.1 million) and 1.78 (31 December 2024: 2.39) respectively.

The net working capital cycle increased from 116 days as at 31 December 2024 to 126 days as at 30 June 2025 on the following key metrics:

- Inventories, in terms of stock turnover days, were 62 days (31 December 2024: 63 days).
- Trade receivables, including amounts due from fellow subsidiaries, in terms of debtor turnover days, were 90 days (31 December 2024: 82 days).
- Trade and bills payables (excluding bills payable for property, plant and equipment), including amounts due to fellow subsidiaries, in terms of creditor turnover days, were 26 days (31 December 2024: 29 days).

As at 30 June 2025, the Group's net gearing ratio (ratio of bank borrowings net of bank balances and cash to total equity) was approximately 20% (31 December 2024: net gearing ratio of approximately 9%). The ratio of short-term to long-term bank borrowings stood at 75%:25% (31 December 2024: 51%:49%). During the Period, the Group invested approximately HK\$400 million in new production capacity. Backed by the management team's wealth of professional experience, a strong business foundation, and a solid financial position, 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 Period, the Group did not enter into any material derivative financial instruments, nor did it 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 30 June 2025, the Group employed a workforce of approximately 10,600 (31 December 2024: 9,900). 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.

SUSTAINABLE DEVELOPMENT

Aligning with the national goals for energy conservation and emissions reduction, Kingboard Holdings Limited and its subsidiaries (including the Group) (collectively referred to as the "Kingboard Group") has adopted a professional and systematic approach to installing distributed solar photovoltaics in all buildable areas within its facilities. As at 30 June 2025, the Kingboard Group had invested a total of HK\$900 million in these initiatives. In the first half of 2025, these installations generated 100 million kWh of green electricity, yielding energy savings equivalent to 27,000 tonnes of standard coal and reducing carbon dioxide emissions by 60,000 tonnes. This translated into electricity cost savings of HK\$90 million based on current market rates. Furthermore, by 30 June 2025, the Kingboard Group had invested approximately HK\$250 million in thermal energy recovery facilities. In the first half of 2025, these facilities reduced carbon dioxide emissions by 37,000 tonnes, equivalent to energy savings of 15,000 tonnes of standard coal and cost savings of HK\$95 million. Combined with cumulative savings of HK\$480 million as at 31 December 2024, the Kingboard Group had achieved total savings of HK\$575 million by 30 June 2025. These initiatives will deliver sustained long-term benefits to the Kingboard Group, and underscore its full commitment to achieving all its environmental, social and governance (ESG) goals.

PROSPECTS

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. Downstream PCB customers have recently demonstrated strong business performance, which will serve as a catalyst for increased demand for laminates. High-performance, high-reliability, and high-stability laminates are set to represent the mainstream demand in the electronics market of the future. 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 into 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 a specialty fibreglass yarn factory within the Qingyuan industrial park, equipped with six kilns to produce low Dk, low CTE and Quartz fibreglass yarns, to expand its market share of high-end products and further strengthen its core competitiveness. Additionally, a project in Shaoguan City, Guangdong Province, with an annual capacity of 70,000 tonnes of electronic-grade fibreglass yarn and 96 million metres of electronic-grade fibreglass fabric, is scheduled to begin production in the second half of 2026. This project will alleviate capacity bottlenecks for downstream products, meet the growing demand for laminates and related electronic products, and reinforce Kingboard's leading position in the global laminates market, enabling it to maintain a competitive edge in a fiercely contested market. In 2024, the Group expanded its laminates production capacity in Thailand by 400,000 sheets per month, reaching a monthly capacity of 1 million sheets by the end of the year. The Group plans to further increase capacity in Thailand in two phases, each adding a further 400,000 sheets, to achieve upon completion a total monthly capacity of 1.8 million sheets. As the largest and most experienced laminate producer in Southeast Asia, the Group's capacity expansion is designed to meet the rising demand from overseas customers, including the international growth initiatives of PCB companies under Kingboard Holdings Limited.

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 our sincere gratitude to our shareholders, customers, banks, the management and employees for their unreserved support to the Group 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 transfer of shares will be registered. In order to qualify for receiving an interim dividend, the Company's shareholders are reminded to ensure 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had adopted the principles of corporate governance 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.

COMPLIANCE WITH THE MODEL CODE

The Company had 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 six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S 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 period 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.

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

Hong Kong, 25 August 2025

As at the date of this announcement, the board of directors of 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.