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WISE ALLY

Wise Ally International Holdings Limited

麗年國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9918)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

HIGHLIGHTS			
	For the year ended 31 December		
	2024	2023	
	HK\$'000	HK\$'000	Changes
Revenue	1,260,799	1,227,190	2.7%
Gross profit	247,901	210,646	17.7%
Gross profit margin	19.7%	17.2%	250 bps
Operating profit	98,764	21,370	362.2%
EBITDA <i>(Note 1)</i>	135,947	62,867	116.2%
Profit for the year attributable to equity holders of the Company	72,234	1,245	5,701.9%
Basic and diluted earnings per share	72.2 HK cents	1.2 HK cents	5,701.9%

Note 1: EBITDA stands for earnings before interest expenses, taxation, depreciation and amortisation.

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Wise Ally International Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (“**FY2024**”) together with the comparative figures for the year ended 31 December 2023 (“**FY2023**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	3	1,260,799	1,227,190
Cost of sales		(1,012,898)	(1,016,544)
Gross profit		247,901	210,646
Other gains/(losses), net	4	23,095	(29,159)
Other income	4	612	816
Selling and distribution expenses		(54,285)	(53,138)
Administrative expenses		(117,606)	(108,467)
(Provision for)/reversal of impairment losses on financial assets		(953)	672
Operating profit		98,764	21,370
Finance income		4,107	4,073
Finance costs		(19,673)	(19,958)
Finance costs, net		(15,566)	(15,885)
Share of loss of a joint venture		(10)	—
Profit before income tax		83,188	5,485
Income tax expense	5	(10,954)	(4,240)
Profit for the year attributable to equity holders of the Company		72,234	1,245
Other comprehensive loss:			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		(1,388)	(1,987)
Total other comprehensive loss for the year		(1,388)	(1,987)
Total comprehensive income/(loss) for the year attributable to equity holders of the Company		70,846	(742)
Earnings per share attributable to equity holders of the Company			
Basic and diluted (<i>HK cents</i>)	6	72.2	1.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Properties, plant and equipment		112,115	129,056
Intangible assets		292	637
Deposits and prepayments		9,456	6,827
Investments in joint ventures		–	–
Financial asset at fair value through profit or loss	<i>11</i>	–	1,730
Deferred tax assets		6,382	4,719
		<hr/>	<hr/>
		128,245	142,969
		<hr/>	<hr/>
Current assets			
Inventories		196,314	223,828
Trade receivables	<i>8</i>	270,925	297,822
Financial asset at fair value through profit or loss	<i>11</i>	21,230	–
Prepayments, deposits and other receivables		32,850	26,440
Amount due from a joint venture		26	–
Term deposits with original maturity over three months		48,576	–
Cash and cash equivalents		235,333	274,572
		<hr/>	<hr/>
		805,254	822,662
		<hr/>	<hr/>
Total assets		933,499	965,631
		<hr/>	<hr/>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		20,000	20,000
Reserves		201,139	130,293
		<hr/>	<hr/>
Total equity		221,139	150,293
		<hr/>	<hr/>

		2024	2023
	Note	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Provision for long service payment		149	25
Deferred tax liabilities		–	116
Provision for reinstatement costs		1,749	–
Lease liabilities		49,099	66,875
		<u>50,997</u>	<u>67,016</u>
Current liabilities			
Trade payables	9	285,421	249,755
Contract liabilities, other payables and accruals		151,435	167,378
Lease liabilities		23,994	19,775
Bank borrowings	10	188,279	292,603
Amount due to a related company		171	171
Current income tax liabilities		12,063	18,640
		<u>661,363</u>	<u>748,322</u>
Total liabilities		<u>712,360</u>	<u>815,338</u>
Total equity and liabilities		<u>933,499</u>	<u>965,631</u>

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 January 2019 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of electronic products. The ultimate controlling shareholders of the Company and its subsidiaries (collectively, the “**Group**”) are Mr. Chu Wai Hang Raymond (“**Mr. Raymond Chu**”) and Mr. Chu Wai Cheong Wilson (“**Mr. Wilson Chu**”) (collectively, the “**Controlling Shareholders**”).

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 10 January 2020.

The consolidated financial statements are presented in thousands of Hong Kong Dollar (“**HK\$’000**”), unless otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all the applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial asset at fair value through profit or loss (“**FVTPL**”), which is carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise their judgement in the process of applying the Group’s accounting policies.

(a) Amended standards and revised interpretation adopted by the Group

The Group has applied the following amended standards and revised interpretation for the first time for their annual reporting period beginning 1 January 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The amended standards and revised interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards and interpretation not yet adopted by the Group

The following new and amended standards and interpretation have been issued but are not effective for the Group's financial periods beginning 1 January 2024 and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of the impact of these new and amended standards and interpretation upon initial application and has concluded on a preliminary basis that these are not expected to have a significant impact on the Group's financial position and results of operations.

3. REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in the manufacturing and sales of electronic products.

The chief operating decision maker has been identified as the Chief Executive Officer (“**CEO**”) of the Company. The CEO reviews the Group's internal reporting in order to assess performance and allocate resources. The CEO has determined the operating segment based on these reports.

The CEO considers the Group's operation from a business perspective and determines that the Group has one reportable operating segment being the manufacturing and sales of electronic products.

The CEO assesses the performance of the operating segment based on a measure of revenue and gross profit.

During the years ended 31 December 2024 and 2023, all of the Group's revenues were from contracts with customers and were recognised at a point in time.

(a) **Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	<u>254,028</u>	<u>142,720</u>
Customer B	<u>133,850</u>	<u>191,074</u>
Customer C	<u>133,823</u>	<u>N/A*</u>

* The corresponding customer did not contribute over 10% of the total revenue of the Group for the denoted years.

(b) **Segment revenue by customers' geographical location**

The Group's revenue by geographical location, which is determined by the delivery location, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Philippines	377,163	228,058
United States	363,849	460,323
Chinese Mainland	197,136	53,188
Ireland	103,996	87,655
Malaysia	71,056	70,087
United Kingdom	38,902	31,153
Hong Kong	24,450	54,610
Germany	17,695	30,363
Switzerland	16,987	83,473
Mexico	14,892	54,040
Singapore	8,693	3,034
India	5,852	2,751
Norway	4,657	9,169
Netherlands	1,667	20,272
Others	<u>13,804</u>	<u>39,014</u>
	<u>1,260,799</u>	<u>1,227,190</u>

(c) **Details of contract liabilities**

	2024 HK\$'000	2023 HK\$'000
Contract liabilities (<i>Notes</i>)	<u>12,818</u>	<u>12,495</u>

Notes:

- (i) Contract liabilities represent advanced payments received for orders from the customers for goods of which their controls have not yet been transferred to the customers.
- (ii) The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities:

	2024 HK\$'000	2023 HK\$'000
Revenue recognised that was included in the contract liabilities balances at the beginning of the year	<u>12,495</u>	<u>25,534</u>

- (iii) Unsatisfied performance obligation

As at 31 December 2024 and 2023, all performance obligations not yet satisfied by the Group were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations was not disclosed.

(d) **Non-current assets by geographical location**

The total amounts of non-current assets, other than deferred tax assets and financial instruments of the Group as at 31 December 2024 and 2023 were located in the following regions:

	2024 HK\$'000	2023 HK\$'000
Hong Kong	11,953	5,769
Chinese Mainland	<u>104,955</u>	<u>124,081</u>
	<u>116,908</u>	<u>129,850</u>

4. OTHER GAINS/(LOSSES), NET AND OTHER INCOME

(a) Other gains/(losses), net

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Exchange gains	3,972	4,315
Net realised losses from derivative financial instruments	–	(2,051)
Loss on disposal of properties, plant and equipment	(102)	(2,059)
Gain/(loss) on fair value changes of financial asset at FVTPL (Note)	19,225	(29,364)
	<u>23,095</u>	<u>(29,159)</u>

Note: The fair value changes in financial asset at FVTPL arose from re-measurement of the investment in convertible bond issued by Talentone Technology Limited at the reporting year end date at their fair value pursuant to the applicable accounting standards.

(b) Other income

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Government grants	609	810
Others	3	6
	<u>612</u>	<u>816</u>

5. INCOME TAX EXPENSE

Pursuant to the enactment of two-tiered profits tax rates by the Inland Revenue Department of Hong Kong from the year of assessment 2019/20 onwards, the first HK\$2 million of assessable profits for the Group's subsidiary in Hong Kong under Hong Kong profits tax is subject to a tax rate of 8.25%. The remaining assessable profits above HK\$2 million will continue to be subject to a tax rate of 16.5%.

During the years ended 31 December 2024 and 2023, Hong Kong profits tax of the qualified subsidiary of the Group is calculated in accordance with the two-tiered profits tax rates regime.

During the years ended 31 December 2024 and 2023, the Group's subsidiary in the PRC was subject to corporate income tax ("CIT") at a standard rate of 25%.

	2024 HK\$'000	2023 HK\$'000
Current income tax		
– Hong Kong profits tax	8,127	1,869
– PRC CIT	4,918	2,368
	<u>13,045</u>	<u>4,237</u>
Over-provision in prior years		
– Hong Kong profits tax	(241)	(124)
Total current income tax	12,804	4,113
Deferred income tax	(1,850)	127
Income tax expense	<u>10,954</u>	<u>4,240</u>

6. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December 2024	2023
Profit for the year attributable to equity holders of the Company (HK\$'000)	72,234	1,245
Weighted average number of ordinary shares in issue ('000)	100,000	100,000
Basic and diluted earnings per share (HK cents)	<u>72.2</u>	<u>1.2</u>

There were no differences between the basic and diluted earnings per share as there were no potential dilutive ordinary shares outstanding during the year.

7. DIVIDENDS

The directors of the Company do not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: nil).

8. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	278,284	304,228
Less: provision for impairment of trade receivables	<u>(7,359)</u>	<u>(6,406)</u>
	<u>270,925</u>	<u>297,822</u>

As at 31 December 2024 and 2023, the carrying amounts of trade receivables approximated their fair values.

The Group's sales are made on credit terms ranging from 15 to 120 days.

As at 31 December 2024 and 2023, the aging analysis of trade receivables, net of impairment, based on invoice date, were as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 90 days	262,473	272,386
91 to 365 days	5,844	24,430
Over 365 days	<u>2,608</u>	<u>1,006</u>
	<u>270,925</u>	<u>297,822</u>

Movements of the provision for impairment of trade receivables were as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of the year	6,406	8,383
Provision for/(reversal of) impairment of trade receivables on an individual basis	53	(233)
Provision for/(reversal of) impairment of trade receivables on a collective basis	900	(439)
Write-off of provision for impairment of trade receivables on an individual basis	<u>–</u>	<u>(1,305)</u>
At end of the year	<u>7,359</u>	<u>6,406</u>

9. TRADE PAYABLES

As at 31 December 2024 and 2023, the aging analysis of trade payables, based on invoice date, were as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 90 days	240,069	190,030
91 to 365 days	39,762	46,363
Over 365 days	<u>5,590</u>	<u>13,362</u>
	<u>285,421</u>	<u>249,755</u>

10. BANK BORROWINGS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank loans – secured and repayable on demand	<u>188,279</u>	<u>292,603</u>

The bank borrowings were repayable, without taking into account the repayable on demand clauses, as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 year	<u>188,279</u>	<u>292,603</u>

As at 31 December 2024 and 2023, the carrying amounts of bank borrowings approximate their fair values and are denominated in the following currencies:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
HK\$	155,234	259,600
RMB	<u>33,045</u>	<u>33,003</u>
	<u>188,279</u>	<u>292,603</u>

As at 31 December 2024, the weighted average effective interest rate on bank borrowings was 5.7% (2023: 6.8%) per annum.

As at 31 December 2024 and 2023, certain Group's bank borrowings and banking facilities were secured through the undertakings given by Mr. Raymond Chu, an executive director and Controlling Shareholder of the Company, and Mr. Wilson Chu, a Controlling Shareholder of the Company. The undertakings given by Mr. Raymond Chu and Mr. Wilson Chu stipulate that for so long as these bank facilities are available to the Company, Mr. Raymond Chu and Mr. Wilson Chu undertake to (i) notify the bank before pledging their shares of the Company; if their shares are pledged, a facility review of the Company will be triggered, and (ii) at all times collectively maintain at least 51% of the beneficial shareholding interest in the Company and collectively remain the single largest shareholder of the Company.

11 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$'000	2023 HK\$'000
Financial asset at FVTPL		
– Convertible bonds (<i>Note</i>)	21,230	1,730

Note:

On 28 January 2022, the Group entered into a subscription agreement (the “**CB Subscription Agreement**”) with Talentone Technology Limited (“**TTL**”), pursuant to which the Group agreed to subscribe two tranches of convertible bonds in the aggregate principal amount of HK\$44,000,000 (the “**CB**”) issued by TTL (the “**CB Subscriptions**”). The issue of each tranche of the CB Subscriptions is subject to the fulfilment or waiver (as the case may be) of the conditions precedent set out in the CB Subscription Agreement.

The subscription of the first tranche of CB in principal amount of HK\$22,000,000 was completed on 22 March 2022, and the subscription of the second tranche of CB in principal amount of HK\$22,000,000 was completed on 12 September 2023.

The first and the second tranches of the CB can be converted into an aggregate of 30% equity interest in TTL as enlarged by (i) 10% equity interest of TTL subscribed by the Group on 22 March 2022 (the “**Subscription Shares**”) and (ii) the new shares issued by TTL pursuant to the exercise of the conversion rights attached to the CB (the “**Conversion Shares**”) until the maturity date. As disclosed in the announcement of the Company dated 12 September 2023 in relation to the completion of disclosable transaction regarding the second tranche of the CB, both the Group and TTL agreed to extend the maturity date of both the first and the second tranches of the CB to 24 March 2025 (the “**Extended Maturity Date**”).

The CB are unsecured, interest-bearing at 1% per annum and repayable on the Extended Maturity Date or convertible into an aggregate of 30% equity interest in TTL as enlarged by the Subscription Shares and the Conversion Shares from the date of the second tranche of CB subscription until the Extended Maturity Date.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, we successfully navigated a dynamic global landscape marked by subdued consumer spending, ongoing geopolitical tension and volatile interest rate environment. Despite these headwinds, we demonstrated resilience, achieving a 2.7% increase in revenue and a robust 17.7% rise in gross profit. These results underscore the disciplined execution and effectiveness of our business strategy and the strength of our operational model. Our operations in China remain the backbone of our production, delivering efficiency and scale that keep us competitive in the global marketplace.

A pivotal development in 2024 was the launch of strategic partnership in Batam, Indonesia, aligning with the “China Plus One” strategy. This initiative enhances our supply chain flexibility and resilience to geopolitical and logistical risks, which positions us to better serve our customers. By diversifying our manufacturing base, we are not only responding to market trends but also laying the groundwork for sustained growth in an increasingly interconnected world.

Our 2023 pick of Batam as an alternative manufacturing site progressed well. We successfully ramped up full-scale production for a major client at this strategic partnerships in early 2024. To ensure seamless operations, we deployed a specialised on-site team, backed by our experienced team in China. This arrangement help us maintain quality in technical, manufacturing, and logistical services. Given the low geopolitical risk, competitive labour costs and productivity and proximity to our China base, we plan to further expand production capacity in Batam, reinforcing our long-term commitment to operational diversification.

Innovation remains at the heart of our strategy. In 2024, our research and development pipeline products made significant strides, with key products transitioning to mass production in early 2024. These efforts, underpinned by our dedicated teams in China and Batam, further strengthen our reputation for quality, reliability and technological excellence.

While 2024 was a year of strong performance and strategic progress, we are poised to build on this momentum and remain vigilant in the face of ongoing global uncertainties, including tariff fluctuations, supply chain disruptions, and economic volatility. However, our solid foundation, adaptability, and proactive approach position us well to navigate these challenges and capitalize on emerging opportunities.

PROSPECTS

Predictably unpredictable, the opening scenes of 2025 have nations and businesses across the world all but caught up in an excruciating swirl of geopolitical maelstrom. And as tariff calls face pushbacks from the tariffed and other conflicts spiral upwards, the world sits perilously at the cusp of a major recession – if not a depression.

For us to button up in a capricious world, the following are highlights: In 2024, our Original Design Manufacturer and Joint Development Manufacturing projects we pursued panned out successfully in the consumer electronics sector. Riding on this success, we will further expand our in-house capabilities with wider coverage of turnkey solutions encompassing software, firmware development, design optimizations in electronics, electro-mechanics, as well as enhancing our core manufacturing services to our customers. To strengthen our global presence, we will increase participation in international trade shows, showcasing our diverse capabilities and services to attract new clients worldwide.

As part of our commitment to technological advancement, we will collaborate with universities and industry partners in HKSAR and China to leverage our expertise in AI and 5G-enabled electronic and mechanical products, including application-specific robotics. Recognising the rapid evolution of the electric vehicle (“EV”) sector, we will actively identify opportunities to expand into this high-growth industry. Our deep expertise in consumer electronics and electro-mechanics uniquely positions us to support the development of next-generation EV technologies and components.

Looking ahead to 2025, we are committed to minimising and managing interest rate exposure by narrowing down the bank borrowing. This will help strengthen our financial performance, enhance our balance sheet, and provide greater financial flexibility to support our strategic objectives moving forward.

So, by escalating competence and innovation, as well as swiftly adapting to the dictates of reality, we shall ride out whatever impending storms to stridently pull ahead.

We’ve only just begun.

FINANCIAL REVIEW

The Group recorded revenue of HK\$1,260.8 million for FY2024 (FY2023: HK\$1,227.2 million), reflecting an increase of HK\$33.6 million, or 2.7%. Such increase was mainly due to the increase in customer orders from a few key customers in FY2024.

For FY2024, our products were shipped to over 27 (FY2023: 25) countries and regions. The Philippines became our largest market, contributing HK\$377.2 million (FY2023: HK\$228.1 million), or 29.9% (FY2023: 18.6%) of our total revenue. The U.S. sales revenue showed a drop of 21.0%, which is the result of notable increases in sales in other regions, such as Philippines and Chinese Mainland, in FY2024. The changes in the sales mix to other major countries around the world were primarily due to the new products ramped up from our key customers which led to an increase in the customer orders for our products and a change in the distribution strategy from some of our major customers between countries.

Gross profit for FY2024 amounted to HK\$247.9 million (FY2023: HK\$210.6 million), which increased by HK\$37.3 million, or 17.7%, and gross profit margin increased from 17.2% for FY2023 to 19.7% for FY2024. The increase in gross profit was mainly due to the change in product mix, which led to an increase in the customer orders for our products with relatively higher contribution margin as well as a reduction in material costs of our products. This aligns with the increase in revenue in FY2024.

Selling and distribution expenses and administrative expenses for FY2024 were HK\$171.9 million (FY2023: HK\$161.6 million), reflecting an increase of HK\$10.3 million or 6.4%. The cost increase was mainly due to a strategic increase in headcounts for product innovation marketing efforts to capture future business opportunities.

Net finance costs decreased by HK\$0.3 million, or 1.9% from HK\$15.9 million for FY2023 to HK\$15.6 million for FY2024. The slight decrease was mainly due to the Group intending to narrow down its bank borrowing, reducing the utilization from HK\$292.6 million to HK\$188.3 million, while global interest rates remained relatively high during FY2024.

The remarkable increase in profit for FY2024 was mainly attributable to (i) the new products ramped up from our key customers which led to an increase in the customer orders for our products with a relatively higher contribution margin; (ii) an effective reduction in material costs of our products; and (iii) the Group did not record any loss on fair value changes of financial asset at fair value through profit or loss for FY2024. As a result of the foregoing, profit for the year attributable to equity holders of the Company for FY2024 was HK\$72.2 million (FY2023: HK\$1.2 million), reflecting an increase of HK\$71.0 million or 5,701.9%.

DIVIDEND

The Board does not recommend the payment of any final dividend for FY2024 (FY2023: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group funded its liquidity and capital requirements primarily through a combination of internally generated funds from its operating activities and bank borrowings. As at 31 December 2024, the Group's bank borrowings were HK\$188.3 million (31 December 2023: HK\$292.6 million) while the Group's cash and cash equivalents and term deposits with original maturity over three months were HK\$283.9 million (31 December 2023: HK\$274.6 million).

As at 31 December 2024, the Group's total net cash (which equals to the term deposits with original maturity over three months and cash and equivalents less borrowings) amounted to HK\$95.6 million (31 December 2023: net borrowings of approximately HK\$18.0 million) while its total equity amounted to HK\$221.1 million (31 December 2023: HK\$150.3 million). As the Group was in a net cash position as at 31 December 2024, no gearing ratio was presented (31 December 2023: 12.0%). The net gearing ratio is calculated as total borrowings net of cash and cash equivalents and term deposits with original maturity over three months divided by total equity and multiplied by 100%.

The Group has adequate liquidity to meet its current and future working capital requirements.

CAPITAL EXPENDITURES AND COMMITMENTS

The Group incurred total capital expenditures of HK\$10.4 million during FY2024 (FY2023: HK\$13.8 million) for additions of properties, plant and equipment and intangible assets.

As at 31 December 2024, the Group had capital commitments in relation to the purchase of plant and machinery contracted but not provided for in the amount of HK\$1.9 million (31 December 2023: HK\$2.8 million).

CONTINGENT LIABILITIES

As at 31 December 2024, to the best knowledge of the Board, the Group was not involved in any legal proceedings pending or threatened against our Group which could have a material adverse effect on our business or operations. Besides, the Group did not have any significant contingent liabilities as at 31 December 2024.

CHARGES ON ASSETS

As at 31 December 2024 and 2023, there were no charges over the assets of the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments, material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2024.

SIGNIFICANT INVESTMENTS

Save as aforesaid CB included in the financial assets at fair value through profit or loss, the Group did not make or hold any significant investments (including any investment with a value of 5% or more of the Company's total assets as at 31 December 2024) during the year ended 31 December 2024.

FOREIGN EXCHANGE AND RISK MANAGEMENT

The Group operates in Hong Kong and Mainland China and is exposed to foreign exchange risk arising primarily with respect to the United States dollars (“**USD**”) and Chinese Renminbi (“**RMB**”). Most of the Group's sales proceeds are received in USD and some of the Group's purchases and operating expenses are denominated in RMB. The Group closely monitors its overall foreign exchange exposure from time to time and will adopt a proactive but prudent approach to minimize the relevant exposures.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 10 February 2025, Wise Ally Holdings Limited (the “**Vendor**”), an indirect wholly-owned subsidiary of the Company, and the Company entered into the sale and purchase agreement with Ms. Chang Wai Han Vivian (the “**Purchaser**”) and TTL, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, 10% issued shares of TTL at a consideration of HK\$730,000 (the “**Disposal**”). The Disposal has been completed on 13 February 2025. Upon completion of the Disposal, the Vendor ceased to hold any equity interest in TTL.

On 10 February 2025, Mr. Chu Wai Hang Raymond (“**Mr. Chu**”), the chairman, executive Director and chief executive officer of the Company, entered into a termination deed (“**Termination Deed**”) with TTL and the Purchaser, pursuant to which, among others, all the rights and obligations of Mr. Chu and TTL under the put option agreement dated 12 September 2023 entered into between Mr. Chu and TTL in relation to the grant of the right to require Mr. Chu to purchase new shares of TTL, to the extent that the Vendor and Mr. Chu shall together hold 30% of the total number of shares issued by the TTL after the new issue of shares of TTL at the exercise price of HK\$44,000,000, was terminated with immediate effect upon execution of the Termination Deed.

On the same date, the Vendor received a deed of undertaking (“**Undertaking**”) issued by Mr. Chu, in favour of the Vendor, pursuant to which Mr. Chu unconditionally and irrevocably agrees and undertakes to pay, within 14 business days after the Extended Maturity Date, to the Vendor for and on behalf of TTL the outstanding principal amount of the CB, together with all outstanding accrued interests accrued up to and including the Extended Maturity Date, pursuant to the terms and conditions of the CB Subscription Agreement.

This is a non-adjusting event after the financial year end and does not result in any adjustments to the consolidated financial statements for the year ended 31 December 2024.

For details of the Disposal, the Termination Deed and the Undertaking, please refer to the announcement of the Company dated 10 February 2025.

Save as disclosed in this announcement, there was no significant event affecting the Group which occurred since the end of the reporting period.

CAPITAL STRUCTURE

The shares of the Company have been listed on the Main Board of the Stock Exchange since 10 January 2020 (the “**Listing Date**”). As at 31 December 2024, the Company’s total number of issued shares was 100,000,000 at HK\$0.2 each (31 December 2023: 100,000,000 shares at HK\$0.2 each).

As at 31 December 2024, the Group’s capital structure consisted of bank borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves. There was no material change in capital structure of the Group during FY2024.

EMPLOYEES

As at 31 December 2024, the Group employed approximately 1,900 (31 December 2023: 1,600) employees in Hong Kong and Chinese Mainland. The increase in the number of employees can be attributable to a 2.7% rise in revenue. Total staff costs for FY2024 amounted to HK\$257.0 million (FY2023: HK\$223.5 million). The Group adopts a remuneration policy which is commensurate with job nature, qualification and experience of employees. In addition to the provision of annual bonuses and employee related insurance benefits, discretionary bonuses are also rewarded to employees based on individual performance. The remuneration packages and policies are reviewed periodically. The Group also provides in-house and external training programs to its employees. The emoluments of the Directors are decided by the Board and the remuneration committee of the Company having regard to the Group’s operating results, individual performance and comparable market statistics.

The Group has also adopted a share option scheme on 10 December 2019 for the purpose of providing incentives to eligible participants of the scheme, including Directors, full-time employees and advisers and consultants to the Group. No option was granted during FY2024 and, as at 31 December 2024, there was no outstanding option granted under the scheme.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Wednesday, 28 May 2025 to Monday, 2 June 2025, both dates inclusive, during which period no transfer of share(s) will be registered. In order to be eligible to attend and vote at the 2025 AGM, unregistered holder(s) of share(s) of the Company shall ensure that all transfer document(s) accompanied by the relevant share certificate(s) must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 27 May 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During FY2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities, including sale of treasury shares (the "**Treasury Shares**") within the meaning under the Listing Rules. As at 31 December 2024, the Company did not hold any Treasury Shares.

CORPORATE GOVERNANCE

The Company had complied with all the code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during FY2024 except for code provision C.2.1.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has deviated from this code provision as Mr. Chu Wai Hang, Raymond ("**Mr. Chu**") has acted as both the Chairman and Chief Executive Officer of the Company since 30 September 2021.

Considering that Mr. Chu is the founder of the Group and possesses the expertise and extensive experience in the electronics manufacturing services industry conducive to the Company's development, coupled with Mr. Chu's responsibility in major decision-making concerning the Group's daily management and business, the Board believes that both the roles of Chairman and Chief Executive Officer being assumed by Mr. Chu can provide the Group with strong and consistent leadership and allow for effective development of long-term business strategies and efficient execution of business decisions and plans.

The Board also believes that the balance of authority is adequately ensured as the Board currently comprises three independent non-executive Directors who offer different independent perspectives. At the same time, all major decisions of the Company are made in consultation with members of the Board as well as the senior management. Therefore, the Board is of the view that the current organizational structure of the Company is in the interests of the Company and its shareholders as a whole, and there is adequate balance of power and safeguards in place. The Board will nevertheless review the organizational structure of the Company and composition of the Board from time to time in light of prevailing circumstances in order to maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by the Directors in the securities of the Company and other matters covered by the Model Code.

Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required provisions set out in the Model Code during FY2024.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float for the period during FY2024 and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”), comprising three independent non-executive Directors, namely Ms. Law Elizabeth (chairperson of Audit Committee), Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting, has reviewed with the management and the Board the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters including a review of the annual results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for FY2024 as set out in this announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this announcement.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Monday, 2 June 2025. A notice convening the 2025 AGM will be published and sent to the shareholders of the Company in due course. The notice of the 2025 AGM and the proxy form will also be available on the Company’s website at www.wiseally.com.hk and the Stock Exchange’s website at www.hkexnews.hk in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company’s website at www.wiseally.com.hk and the Stock Exchange’s website at www.hkexnews.hk. The 2025 annual report will be dispatched to the shareholders of the Company and will be available on the above websites in due course.

By Order of the Board
Wise Ally International Holdings Limited
Chu Wai Hang Raymond
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 26 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Chu Wai Hang Raymond, Mr. Chu Man Yin Arthur Newton and Mr. Lau Shui Fung; and the independent non-executive directors of the Company are Ms. Law Elizabeth, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting.