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WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 532)

2025 INTERIM RESULTS

The Board of Directors of Wong's Kong King International (Holdings) Limited (the "Company") announces that the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 together with comparative figures for the corresponding period in 2024 are as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$'000	HK\$'000
Revenue	3	1,817,904	1,673,274
Other gains, net		8,242	4,655
Raw materials and consumables used		(832,912)	(849,844)
Purchases of finished goods		(505,396)	(317,011)
Changes in inventories of finished goods and work in progress		(63,866)	(142,009)
Employee benefit expenses		(280,359)	(302,990)
Depreciation and amortisation		(30,694)	(32,077)
Net (provision for)/write-back of impairment loss on financial assets		(228)	310
Other expenses		(99,908)	(98,470)
Operating profit/(loss)		12,783	(64,162)
Finance income	4	2,821	3,604
Finance costs	4	(14,671)	(18,908)
Finance costs, net	4	(11,850)	(15,304)

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$'000	HK\$'000
Share of profit of joint ventures		<u>11,795</u>	<u>8,605</u>
Profit/(loss) before income tax	3	12,728	(70,861)
Income tax expense	5	<u>(16,139)</u>	<u>(10,774)</u>
Loss for the period	3	<u>(3,411)</u>	<u>(81,635)</u>
Attributable to:			
Owners of the Company		(11,042)	(84,090)
Non-controlling interests		<u>7,631</u>	<u>2,455</u>
		<u>(3,411)</u>	<u>(81,635)</u>
Loss per share for loss attributable to the owners of the Company during the period (expressed in HK cents per share)			
– basic	6	<u>(1.51)</u>	<u>(11.52)</u>
– diluted	6	<u>(1.51)</u>	<u>(11.52)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(3,411)	(81,635)
Other comprehensive (loss)/income:		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Fair value (losses)/gains on equity investments at fair value through other comprehensive income, net of tax	(34,522)	22,524
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	<u>34,646</u>	<u>(19,359)</u>
Total comprehensive loss for the period	<u>(3,287)</u>	<u>(78,470)</u>
Attributable to:		
Owners of the Company	(19,068)	(76,601)
Non-controlling interests	<u>15,781</u>	<u>(1,869)</u>
	<u>(3,287)</u>	<u>(78,470)</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2025

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		392,172	399,217
Right-of-use assets		70,649	79,186
Deposits and prepayments		17,503	15,681
Intangible assets		626	747
Interests in joint ventures		47,613	35,818
Deferred tax assets		33,993	33,244
Financial assets at fair value through other comprehensive income		36,877	70,665
Financial assets at fair value through profit or loss		811	650
Club membership and debentures		13,322	13,122
Total non-current assets		613,566	648,330
Current assets			
Inventories		668,033	624,358
Trade and other receivables	8	1,175,177	1,058,228
Deposits and prepayments		52,196	46,005
Tax recoverable		1,936	2,212
Derivative financial instruments		262	–
Short-term bank deposits		95,737	59,075
Cash and cash equivalents		534,877	467,438
Total current assets		2,528,218	2,257,316
Total assets		3,141,784	2,905,646
LIABILITIES			
Non-current liabilities			
Lease liabilities		48,181	54,180
Provision for assets retirement obligations		1,710	1,710
Deferred tax liabilities		5,473	5,275
Employee benefit obligations		2,839	3,006
Total non-current liabilities		58,203	64,171

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

AS AT 30 JUNE 2025

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Note		
Current liabilities			
Trade and other payables	9	772,201	670,464
Contract liabilities		123,754	89,884
Current income tax liabilities		17,208	8,386
Bank borrowings		681,103	567,920
Lease liabilities		17,488	16,912
Derivative financial instruments		–	826
		<u> </u>	<u> </u>
Total current liabilities		<u>1,611,754</u>	<u>1,354,392</u>
Total liabilities		<u>1,669,957</u>	<u>1,418,563</u>
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	10	72,990	72,990
Reserves		<u>1,312,276</u>	<u>1,331,344</u>
		<u>1,385,266</u>	<u>1,404,334</u>
Non-controlling interests		<u>86,561</u>	<u>82,749</u>
Total equity		<u>1,471,827</u>	<u>1,487,083</u>
Total equity and liabilities		<u>3,141,784</u>	<u>2,905,646</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The unaudited interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial information has been prepared in consistent with those principal accounting policies followed in the Annual Report 2024 except the adoption of the following new/ revised HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants which are effective for accounting periods commencing on or after 1 January 2025.

(a) Amended standard adopted by the Group

The following new amendments to standard were required to be adopted by the Group effective from 1 January 2025:

Amendments to HKAS 21 and HKFRS 1

Lack of Exchangeability

The amended standard listed above did not have any impact on the amounts recognised in prior periods and current period.

(b) New and amended standards and interpretations issued not yet adopted

Certain new and amended standards and interpretations issued have been published that are not mandatory for financial period beginning 1 January 2025 and have not been early adopted by the Group.

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

The Group has commenced an assessment of the impact of these new and amended standards and interpretations issued but is not yet in a position to state whether they would have significant impacts on its results of operations and financial position.

3. SEGMENT INFORMATION

The Chief Operation Decision-Maker (“CODM”) has been identified as directors of the Company. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. It determined the operating segments based on these reports. The Group is currently organised into two operating segments – Trading and Distribution and OEM Manufacturing. These segments are the basis on which the Group reports its principal activities information.

Trading and Distribution – trading and distribution of chemicals, materials and equipment used in the manufacturing of printed circuit boards and electronic products

OEM Manufacturing – manufacturing of electrical and electronic products

The segment information for the six months ended 30 June 2025 is as follows:

	Trading and Distribution HK\$'000	OEM Manufacturing HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue					
External sales	926,171	876,119	15,614	–	1,817,904
Inter-segment sales	137,522	1,414	14,210	(153,146)	–
Total	<u>1,063,693</u>	<u>877,533</u>	<u>29,824</u>	<u>(153,146)</u>	<u>1,817,904</u>
Timing of revenue recognition					
At a point in time	1,043,680	877,533	29,695	(149,707)	1,801,201
Over time	20,013	–	129	(3,439)	16,703
	<u>1,063,693</u>	<u>877,533</u>	<u>29,824</u>	<u>(153,146)</u>	<u>1,817,904</u>
Results					
Segment results	68,009	(46,138)	(9,386)	298	12,783
Finance income	2,342	422	57	–	2,821
Finance costs	(1,288)	(12,750)	(633)	–	(14,671)
Segment operating profit/(loss)	<u>69,063</u>	<u>(58,466)</u>	<u>(9,962)</u>	<u>298</u>	<u>933</u>
Share of profit of joint ventures					<u>11,795</u>
Profit before income tax					12,728
Income tax expense					<u>(16,139)</u>
Loss for the period					<u>(3,411)</u>

The segment information for the six months ended 30 June 2024 is as follows:

	Trading and Distribution <i>HK\$'000</i>	OEM Manufacturing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue					
External sales	736,586	914,525	22,163	–	1,673,274
Inter-segment sales	109,844	1,359	15,857	(127,060)	–
	<u>846,430</u>	<u>915,884</u>	<u>38,020</u>	<u>(127,060)</u>	<u>1,673,274</u>
Total	<u>846,430</u>	<u>915,884</u>	<u>38,020</u>	<u>(127,060)</u>	<u>1,673,274</u>
Timing of revenue recognition					
At a point in time	825,468	915,884	33,519	(123,192)	1,651,679
Over time	20,962	–	4,501	(3,868)	21,595
	<u>846,430</u>	<u>915,884</u>	<u>38,020</u>	<u>(127,060)</u>	<u>1,673,274</u>
Results					
Segment results	13,093	(67,967)	(9,688)	400	(64,162)
Finance income	2,843	490	271	–	3,604
Finance costs	(1,479)	(17,217)	(212)	–	(18,908)
	<u>14,457</u>	<u>(84,694)</u>	<u>(9,629)</u>	<u>400</u>	<u>(79,466)</u>
Segment operating profit/(loss)	14,457	(84,694)	(9,629)	400	(79,466)
Share of profit of joint ventures					<u>8,605</u>
Loss before income tax					(70,861)
Income tax expense					<u>(10,774)</u>
Loss for the period					<u>(81,635)</u>

The segment assets and liabilities as at 30 June 2025 are as follows:

	Trading and Distribution <i>HK\$'000</i>	OEM Manufacturing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets				
Segment assets	<u>1,462,869</u>	<u>1,523,915</u>	<u>155,000</u>	<u>3,141,784</u>
Liabilities				
Segment liabilities	<u>491,198</u>	<u>1,122,423</u>	<u>56,336</u>	<u>1,669,957</u>

The segment assets and liabilities as at 31 December 2024 are as follows:

	Trading and Distribution <i>HK\$'000</i>	OEM Manufacturing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets				
Segment assets	<u>1,314,982</u>	<u>1,370,951</u>	<u>219,713</u>	<u>2,905,646</u>
Liabilities				
Segment liabilities	<u>417,762</u>	<u>920,966</u>	<u>79,835</u>	<u>1,418,563</u>

4. FINANCE COSTS, NET

	Six months ended 30 June	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income on:		
– bank deposits	2,819	3,599
– others	<u>2</u>	<u>5</u>
	<u>2,821</u>	<u>3,604</u>
Interest expense on:		
– bank borrowings	(12,939)	(17,800)
– lease liabilities	<u>(1,732)</u>	<u>(1,108)</u>
	<u>(14,671)</u>	<u>(18,908)</u>
Finance costs, net	<u>(11,850)</u>	<u>(15,304)</u>

5. INCOME TAX EXPENSE

Hong Kong profits tax has not been provided for at 16.5% on the estimated assessable profit for the period as the Group has sufficient tax losses carried forward to set off against the estimated assessable profit (2024: Hong Kong profits tax had not been provided for as the Group had no estimated assessable profit for the period). The subsidiaries established in the People's Republic of China (the "PRC") are subject to corporate income tax rate of 25% (2024: 25%). The subsidiaries in Taiwan are subject to corporate income tax rate of 20% (2024: 20%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	–	–
– PRC corporate income tax	5,208	3,429
– Taiwan corporate income tax	7,082	2,242
– Other jurisdictions	780	3,582
	13,070	9,253
Over provision in prior years		
– Hong Kong	(3)	–
	(3)	–
Deferred income tax	–	–
Withholding tax on dividends declared by subsidiaries	3,072	1,521
	16,139	10,774

6. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company (Hong Kong thousands dollar)	(11,042)	(84,090)
Weighted average number of ordinary shares in issue (thousands)	729,898	729,898
Basic loss per share (Hong Kong cents per share)	(1.51)	(11.52)

(b) Diluted

Diluted loss per share was the same as the basic loss per share for the period ended 30 June 2025, as the share options of the Company had an anti-dilutive effect on the basic loss per share and was ignored in the calculation of diluted loss per share (2024: same).

7. DIVIDENDS

The Board of Directors resolved not to recommend any interim dividend for the six months ended 30 June 2025 (2024: HK\$ nil).

8. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are accounts and bills receivables of HK\$1,095,931,000 (At 31 December 2024: HK\$1,031,862,000).

The Group allows a credit period ranging from 30 days to 180 days to its trade customers. In addition, for certain customers with long-established relationship, a longer credit period may be granted.

The ageing analysis of accounts and bills receivables based on invoices dates net of loss allowance at the end of reporting period is as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0 to 30 days	684,433	344,246
31 to 60 days	91,184	196,811
61 to 90 days	97,271	183,742
Over 90 days	223,043	307,063
	1,095,931	1,031,862

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are accounts and bills payables of HK\$604,598,000 (At 31 December 2024: HK\$524,909,000).

The following is an ageing analysis of accounts and bills payables based on goods receipt dates at the end of reporting period:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0 to 30 days	279,350	230,549
31 to 60 days	146,486	121,362
61 to 90 days	75,187	81,808
Over 90 days	103,575	91,190
	604,598	524,909

10. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	Share capital HK\$'000
Issued and fully paid:		
At 31 December 2024, 1 January 2025 and 30 June 2025	729,897,964	72,990

INTERIM DIVIDEND

The Board of Directors resolved not to recommend any interim dividend for the six months ended 30 June 2025 (2024: HK\$ nil).

BUSINESS REVIEW

The Group's turnover for the first half of 2025 amounted to HK\$1.8 billion, representing an increase of approximately 8.6% compared to the corresponding period last year. For the first half of 2025, the Group recorded a net loss attributable to owners of the Company of HK\$11.0 million, a significant improvement from the net loss attributable to owners of the Company of HK\$84.1 million in the same period last year. This positive outcome was primarily driven by the strong performance of the Trading and Distribution Division, strategic response to persistent geopolitical headwinds and the prevailing volatility in the global economic landscape within the OEM Manufacturing Division, as well as a reduction in net financing costs attributable to lower interest expenses on bank borrowings amid an overall decrease in interest rates.

The turnover of the Group's Trading and Distribution Division for the first half of 2025 was HK\$0.9 billion, representing an increase of approximately 25.7% compared to the same period last year. This was mainly due to increased demand for products distributed by the Trading and Distribution Division's subsidiaries in both Taiwan and the PRC, as the customers sought to expand inventory levels and increase capital expenditure. As a result, the Trading and Distribution Division achieved an operating profit of HK\$69.1 million as compared to an operating profit of HK\$14.5 million for the corresponding period last year.

The turnover of the Group's OEM Manufacturing Division slightly decreased by approximately 4.2% to HK\$0.88 billion for the first half of 2025 compared to the same period last year. The OEM Manufacturing Division's operating loss was reduced to HK\$58.5 million for the first half of 2025 as compared to an operating loss of HK\$84.7 million for the corresponding period last year. This was primarily attributable to persistent geopolitical headwinds and continued volatility in the global economic landscape, which collectively impacted market sentiment and demand across key regions. The reduction in operating loss was largely driven by the effective implementation of its operational cost reduction plan and ongoing initiatives to enhance operational efficiency.

FINANCE

The Group has committed bank and other financing facilities totaling HK\$2,580 million, of which HK\$775 million was drawn down on 30 June 2025. As at 30 June 2025, the Group's consolidated net borrowings amounted to HK\$116 million and its total equity amounted to HK\$1,472 million, resulting in a net gearing ratio of 7.9%. The net gearing ratio was calculated as net debt divided by total equity. Net debt is calculated as total bank borrowings and lease liabilities less cash and cash equivalents and short-term bank deposits.

Most of the Group's sales were conducted in the same currencies as the corresponding purchase transactions. Foreign exchange contracts were used to hedge exposures where necessary.

CAPITAL STRUCTURE

The Group's capital structure consists of bank borrowings, cash and cash equivalents, short-term bank deposits and equity attributable to owners of the Company, comprising issued share capital and reserves.

HUMAN RESOURCES

As of 30 June 2025, the Group had a total of 3,428 employees, of whom 175 were based in Hong Kong, 2,446 in the PRC and 807 overseas. The remuneration of the Group's employees is mainly based on their performance and experience, taking into account current industry practices. Provident fund scheme, medical allowances, and in-house and external training programs are available to employees. Share options and discretionary bonuses may be provided to employees according to the performance of the individual and the Group. The remuneration policy and package of the Group's employees are regularly reviewed.

PROSPECTS

Despite the uncertain economic outlook shaped by ongoing global geopolitical tensions and evolving monetary policies, demand for products distributed by the Trading and Distribution Division is expected to remain largely stable throughout the second half of 2025. This outlook is based on current business inquiries and planned dispatch timelines associated with customer orders driven, which are driven by production capacity expansion initiatives.

The OEM Manufacturing Division anticipates a moderate increase in turnover during the second half of 2025, compared to the first half of the year. This growth is underpinned by the continued scaling of production at the OEM Manufacturing Division's manufacturing facility in Mexico, which is progressing toward higher operational efficiency. This anticipated increase in throughput is expected to improve fixed cost absorption and enhance overall cost effectiveness. Furthermore, the OEM Manufacturing Division remains focused on executing cost reduction measures aimed at boosting labor productivity and minimizing indirect overhead expenses.

Looking ahead, the Group will continue to uphold its long-term sustainable strategy by reinforcing strategic resilience and maintaining close alignment with evolving customer needs. Building on previous initiatives, the Group is committed to further reducing overall operational costs through active streamlining of underperforming business units and optimizing internal resources to maximize efficiency.

Management will remain vigilant in monitoring market conditions and will make timely, data-driven adjustments to its business strategies as necessary, ensuring the Group remains agile and well-positioned to navigate ongoing macroeconomic challenges.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company had complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the six months ended 30 June 2025, with deviations as stated below:

Code Provision B.2.2

Code Provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Bye-Laws of the Company, all Directors (except for the Executive Chairman or Managing or Joint Managing Director) of the Company are subject to retirement by rotations and re-elections at the annual general meeting of the Company. This constitutes a deviation from the CG Code. As continuation is a key factor to the successful implementation of any long term business plans, the Board believes that the present arrangement is most beneficial to the Company and the shareholders as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on no less exacting than the terms and required standard contained in 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 the Directors, the Company had obtained confirmation from all the Directors that they have complied with the required standard set out in the Model Code and the code of conduct for securities transactions by Directors adopted by the Company throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control systems and financial reporting matters including a review of the unaudited interim condensed consolidated financial information for the six months ended 30 June 2025.

PUBLICATION OF RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.wkkintl.com/i_announcement.aspx and the Stock Exchange at www.hkexnews.hk. The 2025 interim report will be available on the above websites in due course.

On behalf of the Board, I wish to thank all employees for their loyalty, support and hard work, partners, and shareholders for their continued support and trust throughout this period.

By Order of the Board
Wong's Kong King International (Holdings) Limited
Wong Ava
Deputy Chairman & Chief Executive Officer

Hong Kong, 29 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Wong Senta, Ms. Wong Ava, Ms. Wong Orangeo Wendy, Mr. Chang Jui Shum Victor; and the independent non-executive directors are Mr. Tse Wan Chung Philip, Dr. Leung Kam Fong, Dr. Yip Wai Chun and Mr. Lam Yiu Wing Andrew.