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K & P International Holdings Limited

堅寶國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 675)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

RESULTS

The Board of Directors (the “Board”) of K & P International Holdings Limited (the “Company”) herein announces the consolidated audited results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 together with the comparative figures for the corresponding year in 2024 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2025

	Notes	2025 HK\$	2024 HK\$
REVENUE	4	160,525,477	176,428,588
Cost of sales		(130,111,587)	(140,115,928)
Gross profit		30,413,890	36,312,660
Other income and gains	4	3,600,075	4,095,532
Loss on financial assets/liabilities at fair value through profit or loss, net		-	(10,635,692)
Selling and distribution costs		(14,066,220)	(16,075,035)
Administrative and other expenses		(27,041,569)	(22,115,715)
Finance costs	5	(352,369)	(333,870)
LOSS BEFORE TAX	6	(7,446,193)	(8,752,120)
Income tax credit/(expense)	7	502,452	(303,954)
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(6,943,741)	(9,056,074)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	9	(HK2.60 cents)	(HK3.39 cents)

* For identification purposes only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2025

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
LOSS FOR THE YEAR	<u>(6,943,741)</u>	<u>(9,056,074)</u>
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss:		
Deficit arising from revaluation of land and buildings	(724,611)	(1,814,988)
Income tax effect	<u>(210,064)</u>	<u>275,814</u>
	(934,675)	(1,539,174)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<u>8,477,389</u>	<u>(6,710,380)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>7,542,714</u>	<u>(8,249,554)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u><u>598,973</u></u>	<u><u>(17,305,628)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*At 31 December 2025*

	<i>Notes</i>	2025 HK\$	2024 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment		173,464,452	176,370,789
Financial assets at fair value through profit or loss		680,000	680,000
Deferred tax assets		2,312,974	1,568,974
Total non-current assets		176,457,426	178,619,763
CURRENT ASSETS			
Inventories		29,427,925	42,168,351
Prepayments, deposits and other receivables		2,856,083	4,321,223
Financial assets at fair value through profit or loss		-	2,158,722
Trade receivables	<i>10</i>	29,114,924	34,654,395
Tax recoverable		624,612	1,053,270
Bank balances and cash		73,852,401	67,166,721
Total current assets		135,875,945	151,522,682
CURRENT LIABILITIES			
Financial liabilities at fair value through profit or loss		-	4,381,614
Trade payables	<i>11</i>	9,941,301	9,652,016
Accrued liabilities and other payables		26,933,987	30,224,112
Interest-bearing bank borrowings		7,000,000	3,000,000
Lease liabilities		368,416	122,983
Tax payables		183,343	190,812
Total current liabilities		44,427,047	47,571,537
NET CURRENT ASSETS		91,448,898	103,951,145
TOTAL ASSETS LESS CURRENT LIABILITIES		267,906,324	282,570,908
NON-CURRENT LIABILITIES			
Lease liabilities		546,667	-
Deferred tax liabilities		27,027,194	26,817,130
Total non-current liabilities		27,573,861	26,817,130
Net assets		240,332,463	255,753,778
EQUITY			
Share capital		26,700,480	26,700,480
Reserves		213,631,983	229,053,298
Total equity		240,332,463	255,753,778

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and in compliance with the disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange (the “Listing Rules”). These consolidated financial statements have been prepared under the historical cost convention, except for land and buildings and financial assets/liabilities measured at fair value through profit or loss, which have been measured at revalued amount and fair value respectively. These consolidated financial statements are presented in Hong Kong dollars.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year as set out in note 2.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Changes in ownership interest

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied, for the first time, the following revised HKFRS Accounting Standards that is relevant to the Group:

Amendments to HKAS 21

Lack of Exchangeability

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and has two (2024: two) reportable operating segments as follows:

- (a) the precision parts and components segment comprises the manufacture and sale of precision parts and components comprising keypads, synthetic rubber and plastic components and parts; and
- (b) the corporate and others segment comprises the Group's long-term investments, together with corporate income and expense items.

Management, the chief operating decision makers, monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that bank interest income and finance costs are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the cost of sales and are eliminated on consolidation.

Year ended 31 December 2025	Precision parts and components <i>HK\$</i>	Corporate and others <i>HK\$</i>	Total <i>HK\$</i>
Segment revenue:			
Sales to external customers	160,525,477	-	160,525,477
Reportable segment revenue	160,525,477	-	160,525,477
Segment results:	(4,366,862)	(4,559,237)	(8,926,099)
<i>Reconciliation:</i>			
Bank interest income			1,832,275
Finance costs			(352,369)
Loss before tax			(7,446,193)
Other segment information:			
Other income and gains	1,750,445	17,355	1,767,800
Depreciation of property, plant and equipment (excluding right-of-use assets)	(5,529,781)	(1,173,971)	(6,703,752)
Depreciation of right-of-use assets	(612,870)	(3,696,358)	(4,309,228)
Loss on disposal of items of property, plant and equipment, net	(61,784)	(1,306)	(63,090)
Surplus/(Deficit) on revaluation of land and buildings debited to other comprehensive income	141,230	(865,841)	(724,611)
Lease payments under short-term leases on office premises	-	(220,410)	(220,410)
Foreign exchange (loss)/gain, net	(4,793,325)	140,649	(4,652,676)
Capital expenditure	(3,027,707)	(106,920)	(3,134,627)

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2024	Precision parts and components <i>HK\$</i>	Corporate and others <i>HK\$</i>	Total <i>HK\$</i>
Segment revenue:			
Sales to external customers	176,428,588	-	176,428,588
Reportable segment revenue	176,428,588	-	176,428,588
Segment results:	(5,858,830)	(4,062,300)	(9,921,130)
<i>Reconciliation:</i>			
Bank interest income			1,502,880
Finance costs			(333,870)
Loss before tax			(8,752,120)
Other segment information:			
Other income and gains/(losses), net	2,706,044	(113,392)	2,592,652
Depreciation of property, plant and equipment (excluding right-of-use assets)	(6,982,700)	(1,134,736)	(8,117,436)
Depreciation of right-of-use assets	(557,986)	(3,627,681)	(4,185,667)
Loss on disposal of items of property, plant and equipment, net	(38,926)	-	(38,926)
Deficit on revaluation of land and buildings debited to other comprehensive income	(46,848)	(1,768,140)	(1,814,988)
Lease payments under short-term leases on office premises	-	(220,464)	(220,464)
Foreign exchange gain/(loss), net	1,330,140	(113,393)	1,216,747
Capital expenditure	(1,952,416)	(9,940)	(1,962,356)
Loss on financial (liabilities)/assets at fair value through profit or loss, net	(10,635,692)	-	(10,635,692)

3. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

Revenue from external customers contributing 10% or more of the total revenue from the Group's precision parts and components segment are as follows:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Customer A	24,377,544	40,716,620
Customer B	20,689,621	-*
	<u>45,067,165</u>	<u>40,716,620</u>

* This customer individually contributed less than 10% of the total revenue of the Group during the year ended 31 December 2024.

Geographical information

(a) Revenue from external customers

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Hong Kong	4,978,301	4,977,110
Chinese Mainland	14,957,789	16,008,480
Japan and other Asian countries	82,577,954	93,501,704
North America	25,773,459	32,007,629
South America	298,704	199,029
Europe	26,696,488	25,658,416
Other countries	5,242,782	4,076,220
Total revenue	<u>160,525,477</u>	<u>176,428,588</u>

The revenue information above is based on the geographical location of the customers.

(b) Non-current assets

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Hong Kong	51,026,977	59,184,092
Chinese Mainland	121,520,475	117,071,777
Other countries	917,000	114,920
	<u>173,464,452</u>	<u>176,370,789</u>

The non-current assets information above is based on the geographical location of assets and excludes the financial assets at fair value through profit or loss and deferred tax assets.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the year.

An analysis of the Group's revenue, other income and gains is as follows:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Sale of goods	<u>160,525,477</u>	<u>176,428,588</u>
Other income and gains:		
Bank interest income calculated using the effective interest method	1,832,275	1,502,880
Tooling charge income	171,158	94,210
Sale of scrap	141,587	353,595
Sale of samples	1,357,986	903,698
Exchange gain, net	-	1,216,747
Others	97,069	24,402
	<u>3,600,075</u>	<u>4,095,532</u>
Total revenue, other income and gains	<u>164,125,552</u>	<u>180,524,120</u>

The amount of revenue recognised for the year that was included in the contract liabilities at the beginning of the year is HK\$3,509,310 (2024: HK\$1,814,767).

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Interest on bank loans and overdrafts wholly repayable within five years	331,820	322,844
Interest on lease liabilities	20,549	11,026
	<u>352,369</u>	<u>333,870</u>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Staff costs (including directors' remuneration) [#] :		
Wages and salaries	64,413,311	66,769,812
Contributions to retirement benefit schemes	10,853,030	10,863,485
	<u>75,266,341</u>	<u>77,633,297</u>
Cost of inventories sold	130,111,587	140,115,928
Auditor's remuneration	870,000	870,000
Depreciation of property, plant and equipment (excluding right-of-use assets) [#]	6,703,752	8,117,436
Depreciation of right-of-use assets [#]	4,309,228	4,185,667
Foreign exchange loss/(gain), net	4,652,676	(1,216,747)
Lease payments under short-term leases on office premises	220,410	220,464
Loss on disposal of items of property, plant and equipment, net	63,090	38,926
Sales commission	121,099	1,631,798

[#] The staff cost amounting to HK\$57,701,356 (2024: HK\$60,116,475), depreciation amounting to HK\$6,591,130 (2024: HK\$8,051,781) for the year are included in "Cost of sales" in the consolidated income statement.

7. INCOME TAX

The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime was signed and gazetted. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying group entity are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

Taxes on assessable profits outside Hong Kong have been provided on the estimated assessable profits for the year, in respect of the Group’s operations outside Hong Kong, at the rates of taxation prevailing in the relevant jurisdictions.

	2025	2024
	HK\$	HK\$
Current – Hong Kong		
Charge for the year	-	135,149
Over provision in prior years	-	(61,148)
Current – outside Hong Kong		
Charge for the year	241,548	244,617
Under provision in prior years	-	55,336
Deferred taxation		
Origination and reversal of temporary difference	-	1,498,974
Benefit of tax losses recognised	(744,000)	(1,568,974)
	<hr/>	<hr/>
Total tax (credit)/expense for the year	(502,452)	303,954
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A reconciliation of the tax (credit)/expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are operated to the tax (credit)/expense is as follows:

	2025	2024
	HK\$	HK\$
Loss before tax	(7,446,193)	(8,752,120)
	<hr/>	<hr/>
Tax at the statutory tax rate of 16.5% (2024: 16.5%)	(1,228,621)	(1,444,100)
Tax effect of two-tiered profits tax rates regime	(12,072)	(21,975)
Effect of different rates for companies operating in other jurisdictions	75,344	80,058
Income not subject to tax	(537,814)	(277,244)
Expenses not deductible for tax	962,957	1,060,405
Unrecognised temporary differences	(465,670)	696,877
Utilisation of previously unrecognised tax losses	-	(184,958)
Recognition of previously unrecognised tax losses	(286,356)	-
Over provision in prior years	-	(5,812)
Tax losses not recognised	1,034,085	150,250
Others	(44,305)	250,453
	<hr/>	<hr/>
Tax (credit)/expense for the year	(502,452)	303,954
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8. DIVIDEND

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Attributable to the current year:		
Proposed final dividend –		
HK2 cents (2024: HK4 cents) per ordinary share	5,340,096	10,680,192
Interim dividend paid –		
HK2 cents (2024: HK2 cents) per ordinary share	5,340,096	5,340,096
	<u>10,680,192</u>	<u>16,020,288</u>
Attributable to the previous years, approved and paid during the year:		
Final dividend – HK4 cents (2024: HK8 cents) per ordinary share	<u>10,680,192</u>	<u>21,360,384</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. This dividend has not been recognised as liabilities at the end of the reporting period.

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

The calculations of the basic and diluted loss per share are based on:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Loss		
Loss attributable to owners of the Company used in the basic and diluted loss per share calculation	<u>6,943,741</u>	<u>9,056,074</u>
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	<u>267,004,800</u>	<u>267,004,800</u>

As there were no dilutive potential ordinary shares, diluted loss per share was the same as basic loss per share in 2025 and 2024.

10. TRADE RECEIVABLES

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Trade receivables	29,137,424	34,684,895
Less: loss allowance	(22,500)	(30,500)
	<u>29,114,924</u>	<u>34,654,395</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Within 90 days	27,462,790	30,166,137
91 to 180 days	1,652,134	4,488,258
	<u>29,114,924</u>	<u>34,654,395</u>

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Within 90 days	9,722,970	9,618,408
91 to 180 days	204,329	20,045
Over 180 days	14,002	13,563
	<u>9,941,301</u>	<u>9,652,016</u>

The trade payables are unsecured, non-interest-bearing and are normally settled on terms varying from 60 to 120 days of invoice date.

FINANCIAL RESULTS

The Group's turnover for the year ended 31 December 2025 amounted to approximately HK\$160.5 million, representing a decrease of 9.0% from the previous year. Overall gross profit amounted to approximately HK\$30.4 million, representing a decrease of 16.2% from the previous year. Loss attributable to owners of the Company was approximately HK\$6.9 million (2024: HK\$9.1 million).

Basic loss for the year ended 31 December 2025 amounted to HK2.60 cents (2024: HK3.39 cents) per share.

FINAL DIVIDEND

The directors recommend the payment of a final dividend of HK2 cents (2024: HK4 cents) per ordinary share on Tuesday, 14 July 2026 to the shareholders whose names appear on the Register of Members of the Company on Wednesday, 10 June 2026. This recommendation has been incorporated in the financial statements as an allocation of retained profit within the equity section of the statement of financial position.

CLOSURE OF REGISTERS FOR ANNUAL GENERAL MEETING

The Register of Members of the Company will be closed from Thursday, 21 May 2026 to Wednesday, 27 May 2026, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the annual general meeting of the Company to be held on Wednesday, 27 May 2026, all transfer documents accompanied by the relevant share certificates 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 4:30 p.m. on Wednesday, 20 May 2026. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the annual general meeting is Wednesday, 27 May 2026.

CLOSURE OF REGISTERS FOR FINAL DIVIDEND

The Register of Members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the above final dividend of the Company, all transfer documents accompanied by the relevant share certificates 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 4:30 p.m. on Thursday, 4 June 2026. The record date for the purpose of determining the eligibility of the Shareholders for receiving the entitlement of final dividend is Wednesday, 10 June 2026.

BUSINESS REVIEW

In April 2025, the United States announced broad import tariff increases, which led the Group's customers to slow down purchase orders and postpone the development and launch of new projects, as discussed in 2025 interim report. This situation adversely affected the customers shipments during the second and third quarters of 2025. As a result, the Group's revenue for the year declined as compared to 2024. The gross profit margin also declined, mainly due to (1) the decline in revenue mentioned above, (2) the intensified pricing pressure from several customers amid regional economic uncertainty, and (3) the appreciation of Renminbi ("RMB") against the United States Dollars ("USD") which increased the production costs at the Group's factories in Chinese Mainland. The impacts of RMB appreciation on the Group's manufacturing costs and operating results was discussed in the previous annual report.

For the precision parts and components segment, the turnover decreased 9.0% to approximately HK\$160.5 million as compared with 2024. The segment reported loss approximately HK\$4.4 million (2024: profit of approximately HK\$3.7 million, after excluded the early-termination and closed-out losses of forward currency contracts of approximately HK\$9.6 million). The mechanism of forward currency contracts had been discussed at the previous annual and interim reports.

The gross margin of the Group in 2025 had decreased by 1.6 percentage point to 18.9% as compared with 2024, which the reasons had been discussed above. The selling and distribution costs decreased by 12.5% to approximately HK\$14.1 million, which was arising from the decline in selling activities. The administrative and other expenses increased by 22.3% to approximately HK\$27.0 million, due to the exchange loss of approximately HK\$4.7 million mainly arising from the appreciation of RMB. The financial costs slightly increased by 5.5% to approximately HK\$0.4 million, due to the increase in financing activities.

FUTURE PLANS AND PROSPECTS

Looking ahead, Europe remains the key market for the Group's top customers. The regional economy returned to growth in the fourth quarter of 2025 after overcoming trade tensions earlier in 2025 and recovering from the energy crisis triggered by the war in Ukraine. The Group's customer orders during the fourth quarter reached their highest level of the year, supported by an acceleration in the customer's new project development activities. However, the recent escalation of conflict in the Middle East has driven energy prices higher and heightened the risk of renewed inflation, posing potential challenges to the regional economic recovery. Higher inflation may weaken consumer purchasing power and lead central banks to act more cautiously on interest rates reduction. This environment could weigh on corporate investment in new projects and market expansion. Despite these headwinds, the Group has strengthened the flexibility of its production facilities to better manage market volatility, resulting in improved segment performance in the second half of 2025. Supported by a strong balance sheet, the Group remains confident in its ability to improve profitability in 2026. After distributed the interim and final dividends in total of approximately HK\$16.0 million in 2025, the Group maintains a stable financial position to finance any business expansion and daily operation, amid any economic uncertainty in the future.

OPERATIONS REVIEW

The following highlights the Group's results for the year ended 31 December 2025.

- Turnover decreased by 9.0% from the previous year to approximately HK\$160.5 million for the year.
- Gross profit decreased by HK\$5.9 million from the previous year to approximately HK\$30.4 million in 2025.
- Loss before finance costs decreased by HK\$1.3 million from the previous year to approximately HK\$7.1 million for the year.
- Finance costs increased by HK\$0.02 million from the previous year to approximately HK\$0.4 million.
- Loss after tax for the year was approximately HK\$6.9 million.

In the year under review, turnover of the precision parts and components segment had decreased by 9.0% as compared with the previous year.

The Group's overall gross profit had decreased by 16.2% from the previous year.

The Group's finance costs increased to approximately HK\$0.4 million for the year due to increase in financing activities.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and loan facilities provided by its principal bankers in Hong Kong.

The total borrowings from banks included all term loans, import and export loans, which amounted to approximately HK\$7.0 million as at 31 December 2025.

The Group's financial position remains healthy. At the end of the reporting period, the aggregate balance of bank balances and cash of the Group amounted to approximately HK\$73.9 million.

The Group's borrowings are on a floating rate basis and are mainly denominated in Hong Kong dollars, which are pegged to USD. These match with the principal currencies of the Group's sales which are in USD .

The gearing ratio on the basis of net debt divided by the total capital plus net debt as at 31 December 2025 and 2024 was negative. The negative gearing ratio as at 31 December 2025 and 2024 represents the Group is "net cash" positive (i.e. had more bank balances and cash than its debt).

CHARGE ON THE GROUP'S ASSETS

At 31 December 2025 and 2024, none of the Group's machines and equipment was pledged under lease.

CAPITAL STRUCTURE

As at 31 December 2025, the Company had 267,004,800 ordinary shares in issue with total shareholders' equity of the Group amounted to approximately HK\$240.3 million.

FUND RAISING

Other than obtaining general loan facilities to finance the Group's trading requirements, the Group did not have any fund raising activities in 2025.

EMPLOYEES

As at 31 December 2025, the Group had a total workforce of approximately 661 of which approximately 26 were based in Hong Kong, approximately 4 were based in overseas and approximately 631 were based in Chinese Mainland.

Moreover, under the Mandatory Provident Fund Scheme Ordinance of Hong Kong, the Group has operated a defined contribution Mandatory Provident Fund retirement benefits scheme for all its Hong Kong employees. For overseas and Chinese Mainland employees, the Group is required to contribute a certain percentage of its payroll costs to the central pension scheme operated by the respective local governments.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE CODE

In the opinion of the directors, the Company has complied with all the code provisions of the Corporate Governance Code, as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, throughout the year ended 31 December 2025, except for the following deviation:

Code Provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The roles of the Chairman and the Chief Executive Officer are not separate and are performed by Mr. Lai Pei Wor. Since the Board will meet regularly to consider major matters affecting the operations of the Company, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and believes that this structure will enable the Company to make and implement decisions promptly and efficiently.

SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Company's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Forvis Mazars CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Forvis Mazars CPA Limited on the preliminary announcement.

REVIEW OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31 December 2025 have been reviewed by audit committee and approved by the Board.

On behalf of the Board
K & P International Holdings Limited
Lai Pei Wor
Chairman

Hong Kong, 24 March 2026

As at the date of this announcement, the Board comprises Mr. Lai Pei Wor and Mr. Chan Yau Wah (being executive directors) and Mr. Mak Kwai Wing, Mr. Li Yuen Kwan, Joseph and Ms. Pong Suet Hing (being independent non-executive directors).