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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 2025**

HIGHLIGHTS	For the year ended 31 December		
	2025	2024	Changes
	HK\$'000	HK\$'000	
Revenue	854,954	1,260,799	-32.2%
Gross profit	132,177	247,901	-46.7%
Gross profit margin	15.5%	19.7%	-420 bps
Operating (loss)/profit	(20,863)	98,764	N/A
EBITDA <i>(Note 1)</i>	16,971	135,947	-87.5%
(Loss)/profit for the year attributable to equity holders of the Company	(31,181)	72,234	N/A
Basic and diluted (loss)/earnings per share	(31.2) HK cents	72.2 HK cents	N/A

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 2025 (“**FY2025**”) together with the comparative figures for the year ended 31 December 2024 (“**FY2024**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	3	854,954	1,260,799
Cost of sales		(722,777)	(1,012,898)
Gross profit		132,177	247,901
Other gains, net	4	22,475	23,095
Other income	4	467	612
Selling and distribution expenses		(57,647)	(54,285)
Administrative expenses		(119,262)	(117,606)
Reversal of/(provision for) impairment losses on financial assets		927	(953)
Operating (loss)/profit		(20,863)	98,764
Finance income		5,824	4,107
Finance costs		(8,885)	(19,673)
Finance costs, net		(3,061)	(15,566)
Share of loss of a joint venture		–	(10)
(Loss)/profit before income tax		(23,924)	83,188
Income tax expense	5	(7,257)	(10,954)
(Loss)/profit for the year attributable to equity holders of the Company		(31,181)	72,234
Other comprehensive loss: <i>Item that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		(475)	(1,388)
Total other comprehensive loss for the year		(475)	(1,388)
Total comprehensive (loss)/income for the year attributable to equity holders of the Company		(31,656)	70,846
(Loss)/earnings per share attributable to equity holders of the Company			
Basic and diluted (<i>HK cents</i>)	6	(31.2)	72.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Properties, plant and equipment		80,739	112,115
Intangible assets		361	292
Deposits and prepayments		5,066	9,456
Investments in joint ventures		–	–
Deferred tax assets		6,357	6,382
		<u>92,523</u>	<u>128,245</u>
Current assets			
Inventories		164,943	196,314
Trade receivables	8	157,796	270,925
Financial asset at fair value through profit or loss	11	–	21,230
Prepayments, deposits and other receivables		19,714	32,850
Amount due from a joint venture		50	26
Term deposits with original maturity over three months		12,398	48,576
Cash and cash equivalents		252,226	235,333
		<u>607,127</u>	<u>805,254</u>
Total assets		<u>699,650</u>	<u>933,499</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		20,000	20,000
Reserves		169,483	201,139
Total equity		<u>189,483</u>	<u>221,139</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Provision for long service payment		333	149
Provision for reinstatement costs		1,749	1,749
Lease liabilities		20,579	49,099
		<u>22,661</u>	<u>50,997</u>
Current liabilities			
Trade payables	<i>9</i>	196,504	285,421
Contract liabilities, other payables and accruals		156,561	151,435
Lease liabilities		20,155	23,994
Bank borrowings	<i>10</i>	98,652	188,279
Amount due to a related company		20	171
Current income tax liabilities		15,614	12,063
		<u>487,506</u>	<u>661,363</u>
Total liabilities		<u>510,167</u>	<u>712,360</u>
Total equity and liabilities		<u>699,650</u>	<u>933,499</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 HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations 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 HKFRS Accounting Standards 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 adopted by the Group

The Group has applied the following amended standards for the first time for their annual reporting period beginning 1 January 2025:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability
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The amended standards 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 2025 and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	The Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	The Contracts Referencing Nature-dependent Electricity	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
HKFRS 19 (Amendments)	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

Except for new HKFRS 18 mentioned below, the Group is commencing an assessment of the impact of these new or amended standards and interpretation, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Group, no material impact on the financial performance and position of the Group in the current or future reporting period and on foreseeable future transactions is expected when they become effective.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 Statement of Cash Flows are also made. HKFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements, and is not expected to have significant impact on the financial performance and position of the Group.

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 2025 and 2024, 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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	<u>143,556</u>	<u>133,850</u>
Customer B	<u>99,029</u>	<u>254,028</u>
Customer C	<u>N/A*</u>	<u>133,823</u>

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

(b) Segment revenue by customers' geographical location

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
United States	391,331	363,849
Philippines	138,029	377,163
Chinese Mainland	101,958	197,136
Ireland	49,592	103,996
Switzerland	30,372	16,987
Germany	25,246	17,695
Malaysia	21,818	71,056
Singapore	10,850	8,693
Belgium	10,739	1,211
United Kingdom	10,023	38,902
Others	<u>64,996</u>	<u>64,111</u>
	<u>854,954</u>	<u>1,260,799</u>

(c) **Details of contract liabilities**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract liabilities (<i>Notes</i>)	<u>26,645</u>	<u>12,818</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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue recognised that was included in the contract liabilities balances at the beginning of the year	<u>12,818</u>	<u>12,495</u>

- (iii) Unsatisfied performance obligation

As at 31 December 2025 and 2024, 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 2025 and 2024 were located in the following regions:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	7,068	11,953
Chinese Mainland	<u>76,365</u>	<u>104,955</u>
	<u>83,433</u>	<u>116,908</u>

4. OTHER GAINS, NET AND OTHER INCOME

(a) Other gains, net

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Exchange (losses)/gains	(1,964)	3,972
Loss on disposal of properties, plant and equipment	(449)	(102)
Gain on disposal of a joint venture	730	–
Gain on lease modification	930	–
Gain on fair value changes of financial asset at FVTPL (<i>Note</i>)	23,228	19,225
	<u>22,475</u>	<u>23,095</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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Government grants	463	609
Others	4	3
	<u>467</u>	<u>612</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 year ended 31 December 2025, no provision for Hong Kong profits tax has been made as the Group had no assessable profit in Hong Kong. During the year ended 31 December 2024, 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 2025 and 2024, the Group's subsidiary in the PRC was subject to corporate income tax ("CIT") at a standard rate of 25%.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	–	8,127
– PRC CIT	1,474	4,918
– Under/(over) provision in prior years	5,781	(241)
	<hr/>	<hr/>
Total current income tax	7,255	12,804
Deferred income tax	2	(1,850)
	<hr/>	<hr/>
Income tax expense	<u>7,257</u>	<u>10,954</u>

6. (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated by dividing the (loss)/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	
	2025	2024
(Loss)/profit for the year attributable to equity holders of the Company <i>(HK\$'000)</i>	(31,181)	72,234
Weighted average number of ordinary shares in issue (<i>'000</i>)	100,000	100,000
	<hr/>	<hr/>
Basic and diluted (loss)/earnings per share (<i>HK cents</i>)	<u>(31.2)</u>	<u>72.2</u>

There were no differences between the basic and diluted (loss)/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 2025 (2024: nil).

8. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	164,228	278,284
Less: provision for impairment of trade receivables	<u>(6,432)</u>	<u>(7,359)</u>
	<u>157,796</u>	<u>270,925</u>

As at 31 December 2025 and 2024, 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 2025 and 2024, the aging analysis of trade receivables, net of impairment, based on invoice date, were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	153,321	262,473
91 to 365 days	4,475	5,844
Over 365 days	<u>–</u>	<u>2,608</u>
	<u>157,796</u>	<u>270,925</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of the year	7,359	6,406
Provision for impairment of trade receivables on an individual basis	713	53
(Reversal of)/provision for impairment of trade receivables on a collective basis	<u>(1,640)</u>	<u>900</u>
At end of the year	<u>6,432</u>	<u>7,359</u>

9. TRADE PAYABLES

As at 31 December 2025 and 2024, the aging analysis of trade payables, based on invoice date, were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	160,838	240,069
91 to 365 days	31,066	39,762
Over 365 days	<u>4,600</u>	<u>5,590</u>
	<u>196,504</u>	<u>285,421</u>

10. BANK BORROWINGS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank loans – secured and repayable on demand	<u>98,652</u>	<u>188,279</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	<u>98,652</u>	<u>188,279</u>

As at 31 December 2025 and 2024, the carrying amounts of bank borrowings approximate their fair values and are denominated in the following currencies:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	30,670	155,234
RMB	<u>67,982</u>	<u>33,045</u>
	<u>98,652</u>	<u>188,279</u>

As at 31 December 2025, the weighted average effective interest rate on bank borrowings was 3.7% (2024: 5.7%) per annum.

As at 31 December 2025 and 2024, 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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Financial asset at FVTPL		
– Convertible bonds (<i>Note</i>)	<u>–</u>	<u>21,230</u>

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.

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. Raymond 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. Raymond Chu and TTL under the put option agreement dated 12 September 2023 entered into between Mr. Raymond Chu and TTL in relation to the grant of the right to require Mr. Raymond Chu to purchase new shares of TTL, to the extent that the Vendor and Mr. Raymond 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. Raymond Chu, in favour of the Vendor, pursuant to which Mr. Raymond Chu unconditionally and irrevocably agreed and undertook 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 (collectively, the “**Outstanding CB Principal and Interest**”), pursuant to the terms and conditions of the CB Subscription Agreement. The Outstanding CB Principal and Interest have been fully paid by Mr. Raymond Chu to the Vendor for and on behalf of TTL, pursuant to the Undertaking.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The year 2025 presented a significantly challenging operating environment for the Group. The abrupt escalation of U.S. tariffs since April 2025 on our export categories created a highly uncertain and volatile trading environment, which led to a sharp contraction in customer demand and order volumes. As a result, our total revenue for FY2025 declined to HK\$855.0 million, representing a decrease of 32.2% compared to HK\$1,260.8 million in FY2024. This decline in revenue, combined with the compression of gross profit margin, translated into a net loss attributable to equity holders of HK\$31.2 million for FY2025, compared with a net profit of HK\$72.2 million for FY2024. While these figures reflect the extraordinary external pressures we faced during FY2025, they do not diminish the underlying resilience of our business model nor the unwavering commitment of the Group in navigating these unprecedented conditions.

Despite these headwinds, we made substantial progress in advancing our strategic priorities during FY2025. Building on the groundwork laid in 2023 and early 2024, we successfully accelerated the ramp-up of our production in Batam, Indonesia, throughout FY2025. This expansion represents a key milestone in the Group's "China Plus One" manufacturing strategy, which aims to diversify the Group's manufacturing footprint, enhance supply chain resilience, and mitigate risks arising from geopolitical tensions and logistical disruptions. Our production in Batam has been pivotal in securing new U.S.-based customers and demonstrates the effectiveness of this diversification strategy. While operations in China remain the cornerstone of the Group's production network, delivering scale and operational efficiency, our production in Batam offers competitive labour costs, proximity to key markets, and a stable operating environment. Together, these complementary manufacturing hubs position the Group to better serve its global customer base and establish a more resilient and sustainable operational foundation.

Financial discipline remained one of our key strategic priorities during FY2025. We took decisive measures to strengthen our balance sheet, reducing bank borrowings from HK\$188.3 million as at 31 December 2024 to HK\$98.7 million as at 31 December 2025, representing a reduction of approximately 47.6%. This substantial deleveraging led to a significant decrease in net finance costs, which fell by 80.1% from HK\$15.6 million in FY2024 to HK\$3.1 million in FY2025. Concurrently, prudent treasury management led to a 41.5% increase in interest income, rising from HK\$4.1 million in FY2024 to HK\$5.8 million in FY2025. These achievements underscore our commitment to capital efficiency and cash preservation, ensuring that we remain agile and well-positioned to seize emerging opportunities as market conditions evolve.

PROSPECTS

As we enter 2026, the Group remains committed to navigating a dynamic and challenging global operating environment. Our resilience is strengthened by prudent cost management, effective debt reduction, and the ongoing advancement of our “China Plus One” manufacturing strategy, supported by the successful ramp-up of our production in Batam, Indonesia. This strategy has enhanced our ability to serve key customers, particularly in the U.S. market, providing greater operational flexibility amid ongoing tariff uncertainties.

However, we anticipate a number of external uncertainties and risks that will continue to influence our operating environment in the year ahead. The unresolved U.S.-China tariff situation since April 2025 poses a significant source of uncertainty, as it continues to cause increased caution among the Group’s customers, resulting in the reduction or postponement of orders and adversely impacting revenue predictability. Prolonged or intensified tariffs could further alter product-mix dynamics and exert pressure on margins.

Geopolitical tensions, including the ongoing conflicts and escalating hostilities in the Middle East, continue to disrupt cross-border trade and global supply chains. These challenges complicate logistics and, combined with persistent supply chain issues, contribute to inflationary pressures affecting our cost base and gross profit margins.

The global economic environment remains volatile, characterised by fluctuating end-market demand, shifting buyer sentiment, and instability in certain key markets. Elevated oil prices and energy market volatility increase operational costs, complicating supply chain logistics. Additionally, sustained high interest rates and inflation continue to erode consumer purchasing power, which may dampen demand for the Group’s products and present challenges to the Group’s business planning.

In response to the foregoing challenges, the Group will adopt a cautious approach to procurement and inventory management, uphold robust trade receivable monitoring practices, and continue to diversify both our customer base and manufacturing footprint. Enhancing operational efficiency and exercising disciplined cost control will remain our management priorities.

Looking ahead, despite the substantial headwinds anticipated in 2026, we are well-positioned to respond effectively through disciplined execution, strategic agility, and a continued commitment to excellence. By staying vigilant and responsive to evolving market conditions and risks, the Group aims to preserve financial stability, protect shareholder value, and capitalise on business opportunities as they arise in this complex and rapidly evolving global environment.

FINANCIAL REVIEW

The Group recorded revenue of HK\$855.0 million for FY2025 (FY2024: HK\$1,260.8 million), reflecting a decrease of HK\$405.8 million, or 32.2%. Such decrease was mainly due to the decrease in customer orders from a few key customers in FY2025.

For FY2025, our products were shipped to over 27 (FY2024: 27) countries and regions. The U.S. became our largest market, contributing HK\$391.3 million (FY2024: HK\$363.8 million), or 45.8% (FY2024: 28.9%) of our total revenue, which was primarily driven by the successful ramp-up of new products for our newly acquired customers based in the U.S.. Gross profit for FY2025 amounted to HK\$132.2 million (FY2024: HK\$247.9 million), which decreased by HK\$115.7 million, or 46.7%, and gross profit margin decreased from 19.7% for FY2024 to 15.5% for FY2025. The decrease in both revenue and gross profit was mainly due to the uncertainty arising from the imposition of additional U.S. tariffs since April 2025 on our export product category, coupled with ongoing international trade tensions throughout the year. These external factors prompted our key customers to adopt a more cautious procurement approach, resulting in the deferral or reduction of purchase orders and a consequential shift in product mix, which contributed to the decline in gross profit margin.

Selling and distribution expenses and administrative expenses for FY2025 were HK\$176.9 million (FY2024: HK\$171.9 million), reflecting an increase of HK\$5.0 million or 2.9%. The increase in cost was mainly due to the increase in sales commissions corresponding to the growth in sales to certain customers during FY2025, underpinned by robust demand from end-customers which prompted customer order pull-in and accelerated ramp up of our production in Batam, Indonesia.

Net finance costs decreased by HK\$12.5 million, or 80.1% from HK\$15.6 million for FY2024 to HK\$3.1 million for FY2025. The decrease was mainly due to the Group's deleveraging strategy and strategic debt management, which resulted in a reduction in the utilization of the Group's bank borrowings from HK\$188.3 million to HK\$98.7 million, together with an increase in interest income by approximately HK\$1.7 million, or 41.5% from HK\$4.1 million for FY2024 to HK\$5.8 million for FY2025.

As a result of the foregoing, loss for the year attributable to equity holders of the Company for FY2025 was HK\$31.2 million (FY2024: profit of HK\$72.2 million), reflecting a decrease of HK\$103.4 million or 143.2%.

DIVIDEND

The Board does not recommend the payment of any final dividend for FY2025 (FY2024: 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 2025, the Group's bank borrowings were HK\$98.7 million (31 December 2024: HK\$188.3 million) while the Group's cash and cash equivalents and term deposits with original maturity over three months were HK\$264.6 million (31 December 2024: HK\$283.9 million).

As at 31 December 2025, the Group's total net cash (comprising term deposits with original maturity over three months and cash and cash equivalents less borrowings) amounted to HK\$165.9 million (31 December 2024: HK\$95.6 million) while its total equity amounted to HK\$189.5 million (31 December 2024: HK\$221.1 million). As the Group maintained in a net cash position as at both 31 December 2025 and 2024, no gearing ratio was presented. 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\$14.6 million during FY2025 (FY2024: HK\$10.4 million) for additions of properties, plant and equipment and intangible assets.

As at 31 December 2025, the Group had capital commitments in relation to the purchase of plant and machinery contracted but not provided for in the amount of HK\$4.0 million (31 December 2024: HK\$1.9 million).

CONTINGENT LIABILITIES

As at 31 December 2025, 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 2025.

CHARGES ON ASSETS

As at 31 December 2025 and 2024, there were no charges over the assets of the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as the aforesaid disposal of 10% issued shares of TTL as set out in Note 11 to the consolidated financial information above, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

SIGNIFICANT INVESTMENTS

Save as aforesaid CB included in the financial asset at fair value through profit or loss as set out in Note 11 to the consolidated financial information above, 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 2025) during the year ended 31 December 2025.

FOREIGN EXCHANGE AND RISK MANAGEMENT

The Group operates in Hong Kong and Chinese Mainland 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

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. As at 31 December 2025, the Company’s total number of issued shares was 100,000,000 at HK\$0.2 each (31 December 2024: 100,000,000 shares at HK\$0.2 each).

As at 31 December 2025, 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 FY2025.

EMPLOYEES

As at 31 December 2025, the Group employed approximately 1,300 (31 December 2024: 1,900) employees in Hong Kong and the Chinese Mainland. The decrease in the number of employees was primarily attributable to a 32.2% drop in revenue. Total staff costs for FY2025 amounted to HK\$221.0 million (FY2024: HK\$257.0 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 FY2025 and, as at 31 December 2025, there was no outstanding option granted under the scheme.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Wednesday, 27 May 2026 to Monday, 1 June 2026, both dates inclusive, during which period no transfer of share(s) will be registered. The record date for the Annual General Meeting will be on Monday, 1 June 2026. In order to be eligible to attend and vote at the 2026 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, 26 May 2026.

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

During FY2025, 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 2025, 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 FY2025 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 FY2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained the prescribed public float of more than 25% of the total issued share capital as required under the Listing Rules for the period during FY2025 and up to the date of this announcement. As at 31 December 2025, the Company’s public float was 37% of its total issued shares.

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 2025.

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 FY2025 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 2026 AGM will be held on Monday, 1 June 2026. A notice convening the 2026 AGM will be published and sent to the shareholders of the Company in due course. The notice of the 2026 AGM and the proxy form will also be available on the Company’s website at www.wisely.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 annual report for FY2025 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 2026

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.