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WKK

WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 532)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Directors of Wong's Kong King International (Holdings) Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025, together with comparative figures for the corresponding period in 2024 are as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Revenue	2	3,674,091	3,446,033
Other gains, net	3	22,294	8,477
Raw materials and consumables used		(1,778,556)	(1,802,098)
Purchases of finished goods		(982,016)	(774,540)
Changes in inventories of finished goods and work in progress		(47,905)	(108,034)
Employee benefit expenses		(585,139)	(621,917)
Depreciation and amortisation		(59,950)	(64,377)
Net write-back of impairment loss on financial assets		2,388	370
Other expenses	4	(227,444)	(201,610)
Operating profit/(loss)		17,763	(117,696)
Finance income		5,048	6,633
Finance costs		(29,340)	(39,202)
Finance costs, net		(24,292)	(32,569)
Share of profit of joint ventures		13,442	12,913

CONSOLIDATED INCOME STATEMENT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Profit/(loss) before income tax		6,913	(137,352)
Income tax expense	5	<u>(47,751)</u>	<u>(40,633)</u>
Loss for the year	2	<u>(40,838)</u>	<u>(177,985)</u>
Attributable to:			
Owners of the Company		(55,323)	(190,162)
Non-controlling interests		<u>14,485</u>	<u>12,177</u>
		<u>(40,838)</u>	<u>(177,985)</u>
Loss per share for loss attributable to the owners of the Company during the year (expressed in HK cents per share)			
– basic	6	<u>(7.58)</u>	<u>(26.05)</u>
– diluted	6	<u>(7.58)</u>	<u>(26.05)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(40,838)	(177,985)
Other comprehensive income/(loss):		
<i>Items 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	(15,864)	39,948
Remeasurements of post-employment benefit obligations, net of tax	359	1,249
Remeasurements of long service payment liabilities	197	195
Currency translation differences attributable to non-controlling interest	2,850	–
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	12,497	(28,550)
Total comprehensive loss for the year	(40,799)	(165,143)
Attributable to:		
Owners of the Company	(59,272)	(172,515)
Non-controlling interests	18,473	7,372
	(40,799)	(165,143)

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		358,798	399,217
Right-of-use assets		61,110	79,186
Deposits and prepayments		15,478	15,681
Intangible assets		506	747
Interests in joint ventures		42,965	35,818
Deferred tax assets		31,838	33,244
Financial assets at fair value through other comprehensive income		55,771	70,665
Financial assets at fair value through profit or loss		616	650
Club membership and debentures		12,832	13,122
		<hr/>	<hr/>
Total non-current assets		579,914	648,330
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current assets			
Inventories		651,174	624,358
Trade and other receivables	7	1,092,591	1,058,228
Deposits and prepayments		52,412	46,005
Tax recoverable		479	2,212
Short-term bank deposits		80,346	59,075
Cash and cash equivalents		533,991	467,438
		<hr/>	<hr/>
Total current assets		2,410,993	2,257,316
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total assets		2,990,907	2,905,646
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
LIABILITIES			
Non-current liabilities			
Lease liabilities		40,783	54,180
Provision for assets retirement obligations		1,710	1,710
Deferred tax liabilities		5,896	5,275
Employee benefit obligations		2,631	3,006
		<hr/>	<hr/>
Total non-current liabilities		51,020	64,171
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

CONSOLIDATED BALANCE SHEET (Continued)
AT 31 DECEMBER 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Current liabilities			
Trade and other payables	8	782,125	670,464
Contract liabilities		80,642	89,884
Current income tax liabilities		18,424	8,386
Bank borrowings		608,828	567,920
Lease liabilities		15,129	16,912
Derivative financial instruments		424	826
		<hr/>	<hr/>
Total current liabilities		1,505,572	1,354,392
		<hr/>	<hr/>
Total liabilities		1,556,592	1,418,563
		<hr/>	<hr/>
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	9	72,990	72,990
Reserves		1,272,046	1,331,344
		<hr/>	<hr/>
		1,345,036	1,404,334
Non-controlling interests		89,279	82,749
		<hr/>	<hr/>
Total equity		1,434,315	1,487,083
		<hr/>	<hr/>
Total equity and liabilities		2,990,907	2,905,646
		<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. BASIS OF PREPARATION

The consolidated financial information has been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial information has been prepared under the historical cost convention, except for certain financial assets and financial liabilities (including derivative financial instruments), which are measured at fair value.

(a) Amended standards adopted by the Group

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

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability (amendments)
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The amended standards 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 have been published that are not mandatory for financial period beginning on 1 January 2025 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments) Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	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 (amendments)	1 January 2027
HKFRS 19 and amendments to 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 (amendments)	To be determined

The Group will adopt the above new and amended standards and interpretation as and when they become effective. Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 introduces new requirements for presentation within the consolidated statement of comprehensive income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the consolidated income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow scope amendments have been made to HKAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. There are also consequential amendments to several other standards. HKFRS 18 and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. HKFRS 18 will apply retrospectively. The new requirements are expected to impact the Group's presentation of the consolidated income statement and disclosures of the Group's financial performance. So far, the Group considers that the adoption of HKFRS 18 is unlikely to have a significant impact on the Group's results of operations and financial position. The Directors of the Company have performed preliminary assessment and do not anticipate any other significant impact on the Group's financial position and results of operations upon adopting these new and amended standards and interpretation to existing HKFRS Accounting Standards.

2. 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 year ended 31 December 2025 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	1,839,652	1,817,774	16,665	–	3,674,091
Inter-segment sales	334,368	3,830	63,739	(401,937)	–
Total	<u>2,174,020</u>	<u>1,821,604</u>	<u>80,404</u>	<u>(401,937)</u>	<u>3,674,091</u>
Timing of revenue recognition					
At a point in time	2,125,580	1,821,604	80,275	(391,883)	3,635,576
Over time	48,440	–	129	(10,054)	38,515
	<u>2,174,020</u>	<u>1,821,604</u>	<u>80,404</u>	<u>(401,937)</u>	<u>3,674,091</u>
Results					
Segment results	157,293	(80,796)	(59,421)	687	17,763
Finance income	4,195	677	176	–	5,048
Finance costs	(2,241)	(25,964)	(1,135)	–	(29,340)
Segment operating profit/(loss)	<u>159,247</u>	<u>(106,083)</u>	<u>(60,380)</u>	<u>687</u>	<u>(6,529)</u>
Share of profit of joint ventures					<u>13,442</u>
Profit before income tax					6,913
Income tax expense					<u>(47,751)</u>
Loss for the year					<u>(40,838)</u>

The segment information for the year ended 31 December 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	1,572,799	1,828,145	45,089	–	3,446,033
Inter-segment sales	267,587	2,753	31,992	(302,332)	–
Total	<u>1,840,386</u>	<u>1,830,898</u>	<u>77,081</u>	<u>(302,332)</u>	<u>3,446,033</u>
Timing of revenue recognition					
At a point in time	1,793,594	1,830,898	70,181	(295,195)	3,399,478
Over time	46,792	–	6,900	(7,137)	46,555
	<u>1,840,386</u>	<u>1,830,898</u>	<u>77,081</u>	<u>(302,332)</u>	<u>3,446,033</u>
Results					
Segment results	62,900	(134,442)	(47,090)	936	(117,696)
Finance income	4,724	1,214	695	–	6,633
Finance costs	(2,661)	(35,988)	(553)	–	(39,202)
Segment operating profit/(loss)	<u>64,963</u>	<u>(169,216)</u>	<u>(46,948)</u>	<u>936</u>	<u>(150,265)</u>
Share of profit of joint ventures					<u>12,913</u>
Loss before income tax					(137,352)
Income tax expense					<u>(40,633)</u>
Loss for the year					<u>(177,985)</u>

The segment assets and liabilities as at 31 December 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>1,424,818</u>	<u>1,450,972</u>	<u>115,117</u>	<u>2,990,907</u>
Liabilities				
Segment liabilities	<u>409,883</u>	<u>1,059,922</u>	<u>86,787</u>	<u>1,556,592</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>

3. OTHER GAINS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends from financial assets at fair value through other comprehensive income	154	147
Government subsidies	1,225	2,017
Fair value losses on investments in financial assets at fair value through profit or loss	(67)	(528)
Tooling income	<u>20,982</u>	<u>6,841</u>
	<u>22,294</u>	<u>8,477</u>

4. OTHER EXPENSES

Other expenses are stated after charging/(crediting) the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditors' remuneration:		
– Audit services	2,996	2,976
– Non-audit services	1,037	845
Bank charges	3,980	4,230
Charitable donations	370	328
Consumables	14,730	16,371
Expenses relating to short-term leases	2,564	2,643
Expenses relating to leases of low-value assets that are not shown above as short-term leases	32	23
Electricity, water and other utilities	24,145	28,509
Freight and insurance	28,302	29,335
Loss/(gain) on disposal of property, plant and equipment	9,709	(509)
Marketing expenses	2,641	3,281
Net foreign exchange losses/(gains)	11,289	(3,988)
Office and factories expenses	19,944	15,661
Postage, telephone and fax	4,323	5,062
Repairs and maintenance	10,405	14,421
Storage	913	1,364
Transportation and travelling expenses	19,253	26,047
Tax and surcharges	11,250	13,827
Others	59,561	41,184
	<hr/> 227,444 <hr/>	<hr/> 201,610 <hr/>

5. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	–	–
– PRC corporate income tax	14,753	7,184
– Taiwan corporate income tax	14,121	10,681
– Other jurisdictions	6,546	5,483
	<u>35,420</u>	<u>23,348</u>
(Over)/under provision in prior years		
– Hong Kong	709	–
– Other jurisdictions including the PRC and Taiwan	(2,202)	1
	<u>(1,493)</u>	<u>1</u>
Deferred income tax	6,385	13,538
Withholding tax on dividends paid by subsidiaries	6,284	2,520
Withholding tax on management/service fee paid by subsidiaries	1,155	1,226
	<u>47,751</u>	<u>40,633</u>

Hong Kong profits tax has not been provided for at 16.5% on the estimated assessable profit for the year as the Group has sufficient tax losses carried forward to set off against the estimated assessable profit (2024: Hong Kong profits tax has not been provided for as the Group has no estimated assessable profit for the year). 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.

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 year.

	2025	2024
Loss attributable to owners of the Company (Hong Kong thousand dollars)	<u>(55,323)</u>	<u>(190,162)</u>
Weighted average number of ordinary shares in issue (thousands)	<u>729,898</u>	<u>729,898</u>
Basic loss per share (Hong Kong cents per share)	<u>(7.58)</u>	<u>(26.05)</u>

(b) Diluted

Diluted loss per share was the same as the basic loss per share for the year ended 31 December 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. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are accounts and bills receivables of HK\$1,041,947,000 (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 invoice dates net of loss allowance at the end of reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	340,066	344,246
31 to 60 days	234,113	196,811
61 to 90 days	158,035	183,742
Over 90 days	<u>309,733</u>	<u>307,063</u>
	<u>1,041,947</u>	<u>1,031,862</u>

8. TRADE AND OTHER PAYABLES

Included in trade and other payables are accounts and bills payables of HK\$602,101,000 (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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	291,121	230,549
31 to 60 days	136,071	121,362
61 to 90 days	62,955	81,808
Over 90 days	111,954	91,190
	<u>602,101</u>	<u>524,909</u>

9. SHARE CAPITAL

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

10. DIVIDENDS

The Board of Directors resolved not to recommend the payments of a final dividend for the year ended 31 December 2025 (2024: HK\$ nil).

DIVIDENDS

The Board of Directors resolved not to recommend any final dividend for the year ended 31 December 2025 (2024: HK\$ nil).

BOOK CLOSE FOR DETERMINING THE ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING

The register of members of the Company will be closed from Wednesday, 24 June 2026 to Monday, 29 June 2026, both days inclusive, during which period no transfer of shares will be registered, for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 23 June 2026.

MANAGEMENT DISCUSSIONS AND ANALYSIS

The Group consists of two major businesses: Trading and Distribution and OEM Manufacturing.

MARKET OVERVIEW

The macroeconomic environment in 2025 remains increasingly complex, influenced by evolving geopolitical developments and ongoing inflationary pressures. Following a period of significant global disruptions and the highest effective tariff levels seen in a century, the broader outlook continues to reflect elevated downside risks. Governments worldwide are adjusting and redefining policy priorities, contributing to a more dynamic and challenging operating landscape. Despite these headwinds, the Group has applied disciplined strategic decisions to reinforce resilience, strengthen customer alignment, and drive operational improvements, ensuring continued progress throughout 2025.

BUSINESS REVIEW

The Group's revenue for the year ended 31 December 2025 was HK\$3.67 billion, reflecting an increase of approximately 6.6% compared to 2024. The Group's loss attributable to owners of the Company for the year was HK\$55.3 million, representing a substantial narrowing of 70.9% as compared to the loss attributable to owners of the Company of HK\$190.2 million for last year.

This substantial improvement 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.

Trading and Distribution Division

The revenue of the Group's Trading and Distribution Division for the year ended 31 December 2025 was HK\$1.8 billion, representing an increase of approximately 17% compared to 2024. This was primarily driven by increased demand for products distributed by the Trading and Distribution Division's subsidiaries in the PRC and Taiwan throughout 2025, as customers expanded inventory levels and increased capital expenditure in support of their production capacity expansion plans. The key driver of this demand was the increased capital expenditure by customers in the PCB manufacturing and semiconductor sectors, primarily attributable to investment requirements arising from artificial intelligence related demand. As a result, the Trading and Distribution Division achieved an operating profit of HK\$159.2 million as compared to an operating profit of HK\$65 million for 2024.

OEM Manufacturing Division

The Group's OEM Manufacturing Division recorded a moderate increase in revenue by 7.5% in the second half of 2025 compared with the first half of 2025. Nevertheless, an unexpected short-term supply chain shortage in the fourth quarter of 2025, which has since been resolved, resulted in a slight decline in revenue by 0.6% to HK\$1.82 billion for the year ended 31 December 2025 compared to 2024. Despite this, the OEM Manufacturing Division's operating loss was reduced to HK\$106.1 million for the year ended 31 December 2025 compared to an operating loss of HK\$169.2 million for 2024. This improvement was primarily attributable to the OEM Manufacturing Division's effective execution of its operational cost reduction plan and ongoing initiatives to enhance operational efficiency, strengthen labor productivity, and reduce indirect overhead expenses. These measures demonstrate the OEM Manufacturing Division's strategic response to persistent geopolitical headwinds and continued volatility in the global economic landscape throughout 2025.

DNP Voluntary Liquidation: Progressing as Planned

As announced on 2 January 2026, the Group initiated the voluntary liquidation of Dongguan Nissin Plastic Products Co., Ltd. ("DNP"), an indirectly wholly-owned subsidiary of the Company as at 31 December 2025. The liquidation is proceeding as planned. The Group recognised HK\$31.3 million as a cost on restructuring, which comprised of: (i) severance payments under employee benefit expenses; (ii) shutdown-related costs under other expenses; and (iii) inventory write-off under changes in inventories of finished goods and work in progress. Excluding this one-off restructuring cost of HK\$31.3 million, the loss attributable to owners of the Company for the year ended 31 December 2025 would be reduced to approximately HK\$24 million.

FINANCIAL REVIEW

Revenue

The Group recorded a revenue of HK\$3.67 billion, an increase of 6.6% compared to 2024. Trading and Distribution Division delivered strong revenue growth of 17%, while OEM Manufacturing Division revenue was slightly lower by 0.6%.

Employee benefit expenses and other expenses

Employee benefit expenses for the year ended 31 December 2025 were reduced by 5.9% to HK\$585.1 million.

Other expenses for the year ended 31 December 2025 were increased by 12.8% to HK\$227.4 million. (Please refer to Note 4 to the consolidated financial information).

The variance in employee benefit expenses and other expenses was combined effects driven by the reduction in overall operational costs through active streamlining of underperforming business units and optimizing internal resources to maximize efficiency during the year ended 31 December 2025.

The Group recognised HK\$31.3 million as a cost on restructuring, which comprised of: (i) severance payments under employee benefit expenses; (ii) shutdown-related costs under other expenses; and (iii) inventory write-off under changes in inventories of finished goods and work in progress regarding the voluntary liquidation of Dongguan Nissin Plastic Products Co., Ltd. (“DNP”), excluding this one-off restructuring cost of HK\$31.3 million, the employee benefit expenses and other expenses for the year ended 31 December 2025 would be reduced to HK\$575.8 million and HK\$210.6 million, respectively.

Finance costs, net

Finance costs, net for the year ended 31 December 2025 were reduced by 25.4% to HK\$24.3 million. This was mainly attributable to lower interest expenses on bank borrowings amid an overall decrease in interest rates.

Income tax expense

Income tax expense of the Group was calculated based on the assessable profits of the subsidiaries at the rates prevailing in the relevant jurisdictions. Income tax expense for year ended 31 December 2025 amounted to HK\$47.8 million, representing an increase of 17.5% from HK\$40.6 million in 2024. The increase was primarily attributable to tax charges on assessable profits from subsidiaries within the Trading and Distribution Division.

Inventories, Trade Receivables and Trade Payables

Inventories levels amounted to HK\$651.2 million as of 31 December 2025, increased from HK\$624.4 million as of 31 December 2024. Trade receivables amounted to HK\$1,041.9 million as of 31 December 2025, increased from HK\$1,031.9 million as of 31 December 2024. Trade payables amounted to HK\$602.1 million as of 31 December 2025, increased from HK\$524.9 million as of 31 December 2024. These increments were driven by the Group's disciplined working capital management in response to market dynamics, including procurement planning, sales expansion and supplier settlement schedules.

Bank balances and cash

The Group's bank balances and cash amounted to HK\$614.3 million as of 31 December 2025, increased from HK\$526.5 million as of 31 December 2024, which comprised cash and cash equivalents of HK\$534 million (31 December 2024: HK\$467.4 million) and short-term bank deposits of HK\$80.3 million (31 December 2024: HK\$59.1 million), with net debt at HK\$50.4 million compared to HK\$112.5 million as of 31 December 2024. These figures demonstrate effective cash flow management and a stable liquidity position.

Overall, in the face of a volatile external environment, the Group delivered steady revenue, achieved improved financial performance, and maintained a solid consolidated balance sheet.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has committed bank and other financing facilities totaling HK\$2,550.7 million, of which HK\$706.8 million was drawn down on 31 December 2025.

As of 31 December 2025, total interest-bearing bank borrowings were HK\$608.8 million (31 December 2024: HK\$567.9 million), comprising mainly bank loans repayable within one year and the interest rates applied were primarily subject to floating rate terms.

Gearing Ratio

As at 31 December 2025, the Group's consolidated net borrowings amounted to HK\$50.4 million and its total equity amounted to HK\$1,434.3 million, resulting in a net gearing ratio of 3.5%. 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.

Charges on Group Assets

Apart from pledged short-term bank deposits of HK\$4.1 million as of 31 December 2025 (31 December 2024: HK\$3.8 million), no other group assets were charged to any financial institutions.

FOREIGN EXCHANGE AND RISK MANAGEMENT

The Group's reporting currency is Hong Kong dollars ("HK\$"). Given the Group's global operations and presence, the Group faces foreign exchange exposures including transaction and translation exposures and is exposed to exchange rate risks that could impact financial reporting results.

As far as possible, the Group aims to achieve natural hedge by conducting sales and corresponding purchase transactions in the same currencies. Where a natural hedge is not possible, the Group will use foreign exchange contracts to hedge foreign exchange risks.

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.

CAPITAL EXPENDITURE AND COMMITMENTS

During the year ended 31 December 2025, the Group incurred total capital expenditure of approximately HK\$11 million (Year ended 31 December 2024: HK\$34.1 million) for additions to property, plant and equipment.

As of 31 December 2025, the Group had HK\$0.6 million capital commitments contracted but not provided for (31 December 2024: Nil).

On 10 March 2026, the Group commenced to conduct a preliminary assessment of a potential acquisition of property in Taiwan for the operational use of its partially owned subsidiary, Taiwan Kong King Co., Ltd, with no concrete plan finalized at this stage. The Group plans to meet its relevant capital expenditure requirements and the needs of its daily operations primarily through its working capital, reserves and available banking facilities when necessary.

CONTINGENT LIABILITIES

As of 31 December 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

HUMAN RESOURCES

As at 31 December 2025, the Group had a total of 3,236 employees, of whom 163 were based in Hong Kong, 2,332 in the PRC and 741 overseas. Employee benefit expenses for the year ended 31 December 2025 amounted to HK\$585.1 million (Year ended 31 December 2024: HK\$621.9 million). The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into accounts current industry practices. Provident fund scheme, medical allowance and in-house and external training programs are available to employees. Share options and discretionary bonus may be provided to employees according to the performance of the individual and the Group. The remuneration policy and packages of the Group's employees are regularly reviewed.

ENVIRONMENTAL MANAGEMENT

The Group is committed to making contributions in various areas of sustainable development, including environment protection. The Group has established a green council to lead and organize various environmental protection activities and programs.

The Group has set up various systems, including a sewage treatment plant, solar panels for warming water supplies for workers, LED and solar energy lighting systems, computerized filing systems to limit paper usage, lead-free soldering systems, an ISO14001 certified environmental management system since 2002, an IECQ QC080000 hazardous substance process management system, as well as an ISO50001 energy management system for the monitoring and improvement of greenhouse gas emissions and energy consumption.

The Group applies environmentally friendly designs and packaging and complies with green procurement policies. Moreover, the supply chain and the entire product life-cycle are in keeping with a clean and green manufacturing policy, thus producing consistently high-quality green products from start to finish. The Group constantly instils an awareness of environmental protection in its employees, the main internal stakeholders, thereby setting a good example to external stakeholders.

The Group's success in the field of environmental protection has earned recognition from the Government, industry, customers and suppliers.

SOCIAL RESPONSIBILITY

Corporate social responsibility is one of the core management philosophies in the Group. The Group has made donations to various charities, and also provided scholarships to eligible students who otherwise cannot afford to further their studies at university.

The Group has been awarded the "15 Years Plus Caring Company" logo by the Hong Kong Council of Social Service.

The Group's staff have formed a volunteer team who contributed their free time in the service of society by visiting and organizing activities at centers for elderly people.

LEGAL AND REGULATORY COMPLIANCE

The Group complies with all relevant laws and regulations that have a significant impact on the operations of the Group.

STRATEGIES OUTLOOK AND PROSPECTS

In 2025, the Group reinforced strategic resilience, aligned closely with evolving customer needs, and implemented cost reduction and resource optimization initiatives. From 2026 onwards, the focus will shift to monitoring the outcomes of these measures and making timely adjustments to sustain efficiency and resilience. Against the backdrop of ongoing geopolitical tensions and heightened macroeconomic environment, the Group will intensify its integrated local global market approach, leverage global resources while embed deeper regional insights to sharpen customer responsiveness and business relationships. Hong Kong will continue to act as the Group's coordination centre, delivering strategic support and driving resource efficiency across regional operations to secure broad market reach.

Looking ahead, the Trading and Distribution Division is well-placed to pursue expansion, supported by emerging business opportunities in newly targeted geographic markets and technological trends, such as artificial intelligence and new energy. Building on its intensified integrated local global market approach, the Trading and Distribution Division is expected to maintain stable development and reinforce its competitive positioning.

Similarly, the OEM Manufacturing Division is expected to drive margin improvement by strengthening pricing discipline and reducing procurement costs, while continuously evaluating the operating environment and preparing forecasts under different scenarios. This proactive approach will enable the OEM Manufacturing Division to adapt to the evolving economic conditions, capture new opportunities, and enhance resilience.

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

Neither the Company nor any of its subsidiaries had purchased, sold nor redeemed any of the Company's securities during the year ended 31 December 2025.

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") throughout the year ended 31 December 2025, with deviation 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 Executive Chairman or Managing or Joint Managing Director) of the Company are subject to retirement by rotation 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 for 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 has adopted a code of conduct regarding securities transactions by Directors on no less exacting terms 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 has 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 year ended 31 December 2025.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary 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 and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the audited consolidated financial information of the Group for the year ended 31 December 2025.

On behalf of the Board, I wish to thank all employees for their loyalty, support and hard work throughout the year.

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

Hong Kong, 26 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Wong Senta, Ms. Wong Ava, Ms. Wong Orangeo Wendy 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.