

WebX International Holdings Company Limited

智雲國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8521)



Interim
Report
2025

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*This report, for which the directors (“**Directors**”) of WebX International Holdings Company Limited (“**Company**”, together with its subsidiaries the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”) for the purpose of giving information with regard to the Company.*

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Wong Kai Hung Kelvin (*Chairman*)
Mr. Li Jian
Mr. Chen Simon Guomin

Non-executive Director

Mr. Hung Yuk Miu

Independent non-executive Directors

Mr. Ng Wing Heng Henry
Dr. Chan Yee Wah
Mr. Liu Mingfang

Audit Committee

Mr. Ng Wing Heng Henry (*Chairman*)
Dr. Chan Yee Wah
Mr. Liu Mingfang

Remuneration Committee

Mr. Liu Mingfang (*Chairman*)
Mr. Wong Kai Hung Kelvin
Mr. Ng Wing Heng Henry

Nomination Committee

Dr. Chan Yee Wah (*Chairwoman*)
Mr. Wong Kai Hung Kelvin
Mr. Ng Wing Heng Henry

Compliance Officer

Mr. Wong Kai Hung Kelvin

Company Secretary

Mr. Yuen Shing Him, *CPA*

Authorised Representatives

Mr. Wong Kai Hung Kelvin
Mr. Yuen Shing Him, *CPA*

Registered Office

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Headquarters and Principal Place of Business in Hong Kong

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Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road, Hong Kong

Auditor

SHINEWING (HK) CPA Limited
Certified Public Accountants,
17/F, Chubb Tower, Windsor House,
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Legal Adviser

LCH Lawyers LLP
Room 2402, Admiralty Centre Tower Two,
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Principal Bankers

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Corporation Limited

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Guangdong Province, PRC

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China Construction Bank
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Company's Website

www.webx.info

Stock Code

8521

FINANCIAL HIGHLIGHTS

The Group recorded revenue and gross profit of approximately HK\$36,451,000 and HK\$5,755,000 respectively for the six months ended 30 June 2025, representing a decrease of approximately 38.0% and 61.7% respectively when compared with revenue and gross profit of approximately HK\$58,820,000 and HK\$15,032,000 respectively for the six months ended 30 June 2024.

The gross profit margin decreased by 9.8 percentage points from 25.6% for the six months ended 30 June 2024 to approximately 15.8% for the six months ended 30 June 2025. Such decrease was primarily attributable to a significant decrease in sales of functional knitted fabrics, apparel and yarns amid the challenging business environment in the textile industry in the People's Republic of China.

With China's economy achieving a steady year-on-year GDP growth of 5.3% in the first half of 2025, supported by robust industrial output and export strength, the business environment showed signs of recovery. However, lingering domestic challenges and intensified international market volatility continued to weigh on household consumption and private investment, and the textile sector faced pressure from both external uncertainties and weak domestic market demand. This led to a decrease of approximately 43.1% in sales of functional knitted fabrics, apparel and yarns compared to the corresponding period in 2024.

As a whole, the Group recorded a loss after tax of approximately HK\$6,981,000 for the six months ended 30 June 2025 when compared with a profit after tax of approximately HK\$445,000 for the six months ended 30 June 2024. The turnaround to loss for the six months ended 30 June 2025 was principally due to the significant decrease in revenue and gross profit for the same period.

The board of Directors ("**Board**") does not recommend the payment of a dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
	Notes		
Revenue	4	36,451	58,820
Cost of sales		(30,696)	(43,788)
Gross profit		5,755	15,032
Other income		156	464
Selling and distribution expenses		(3,193)	(3,338)
Administrative and other expenses		(10,311)	(10,784)
Finance costs	6	(330)	(513)
(Loss)/profit before tax		(7,923)	861
Income tax credit/(expenses)	7	942	(416)
(Loss)/profit for the period	8	(6,981)	445
Other comprehensive income for the period			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		1,735	2,333
Total comprehensive income for the period		1,735	2,778
(Loss)/profit for the period attributable to owners of the Company		(6,981)	445
Total comprehensive (expenses)/income for the period attributable to owners of the Company		(5,246)	2,778
(Loss)/earnings per share – basic and diluted (HK\$ cents)	9	(1.21)	0.08

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	10	11,435	11,843
Deferred tax asset		3,536	3,494
Right-of-use assets		2,644	3,536
Goodwill		46	46
		17,661	18,919
Current assets			
Inventories		22,519	12,857
Trade receivables	11	18,251	25,770
Deposits, prepayments and other receivables	11	48,049	37,082
Pledged bank deposits		2,741	2,700
Bank balances and cash		50,708	81,271
		142,268	159,680
Current liabilities			
Trade payables	12	3,974	9,216
Other payables and accruals	12	8,975	6,015
Contract liabilities		4,512	4,978
Lease liabilities		2,180	2,193
Bank borrowing and other loans	13	17,175	25,487
Bank overdraft	13	1,639	2,448
Tax payable		323	933
		39,212	51,270
Net current assets		103,056	108,410
Non-current liabilities			
Lease liabilities	13	691	1,623
Bank borrowing and other loan		434	434
		1,125	2,057
NET ASSETS		120,026	125,272
Capital and reserves			
Share capital		5,760	5,760
Reserves		114,266	119,512
Total equity		120,026	125,272

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000 (Note a)	Retained earnings HK\$'000	Exchange reserve HK\$'000 (Note b)	
At 1 January 2024 (audited)	5,760	65,029	1,824	5,926	74,199	(6,136)	146,602
Profit for the period	–	–	–	–	445	–	445
Exchange differences arising on translation of foreign operations	–	–	–	–	–	2,333	2,333
Total comprehensive income for the period	–	–	–	–	445	2,333	2,778
At 30 June 2024 (unaudited)	5,760	65,029	1,824	5,926	74,644	(3,803)	149,380
At 1 January 2025 (audited)	5,760	65,029	1,824	5,926	56,689	(9,956)	125,272
Loss for the period	–	–	–	–	(6,981)	–	(6,981)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	1,735	1,735
Total comprehensive (expenses)/income for the period	–	–	–	–	(6,981)	1,735	(5,246)
At 30 June 2025 (unaudited)	5,760	65,029	1,824	5,926	49,708	(8,221)	120,026

Notes:

(a) Statutory reserve

According to the People's Republic of China ("PRC") Company Law, companies established in the PRC are required to transfer 10% of their respective after-tax profits, calculated in accordance with the relevant accounting principles and financial regulations applicable to entities established in the PRC, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The statutory reserve can be utilised, upon approval of the relevant authorities, to offset the accumulated losses or to increase the registered capital of these companies, provided that such fund is maintained at a minimum of 25% of the registered capital. The statutory reserve is not distributable as cash dividends and must be made before distribution of dividend to equity owners.

(b) Exchange reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss on the disposal of the foreign operations.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(21,886)	(41,062)
Investing activities		
Interest received	10	76
Acquisition of plant and equipment	(261)	(1,007)
Disposal of plant and equipment	45	–
Net cash used in investing activities	(206)	(931)
Financing activities		
Repayment of lease liabilities – principal	(1,074)	(377)
Repayment of lease liabilities – interest	(88)	(43)
Repayment of bank borrowings	(19,394)	(330)
New bank borrowings raised	10,865	16,505
Repayment of other loans	–	(1,000)
Interest paid	242	(470)
Net cash (used in)/from financing activities	(9,449)	14,285
Net decrease in cash and cash equivalents	(31,538)	(27,708)
Cash and cash equivalents at beginning of period	78,823	80,497
Effect of foreign exchange rate changes	1,784	2,200
Cash and cash equivalents at end of period	49,069	54,989
Analysis of components of cash and cash equivalents		
Bank balances and cash	50,708	57,937
Bank overdraft	(1,639)	(2,948)
	49,069	54,989

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. GENERAL INFORMATION

WebX International Holdings Company Limited ("**Company**") was incorporated in the Cayman Islands, under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 21 February 2017 and its shares were listed on GEM of the Stock Exchange on 16 May 2018.

As at 30 June 2025, there was no ultimate parent company of the Company.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company in Hong Kong is Units 05-06, 33rd Floor, Bank of America Tower, No.12 Harcourt Road,, Hong Kong.

The Company is an investment holding company and its principal subsidiaries are principally engaged in (i) sales of functional knitted fabrics, apparel and yarns; and (ii) cloud-based computing and internet traffic services.

The condensed interim consolidated financial information are presented in thousands of units of Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Company and its Hong Kong subsidiary. Renminbi ("**RMB**") is the functional currency of the PRC subsidiaries of the Company.

2. BASIS OF PREPARATION

The condensed interim consolidated financial information have been prepared on the historical cost basis.

The condensed interim consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of the GEM Listing Rules. This condensed interim consolidated financial information does not include all the information and disclosures required for a full set of financial statements and thereby should be read in conjunction with the annual financial statements for the year ended 31 December 2024 ("**2024 Financial Statements**") which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the HKICPA. The interim financial information has been prepared in accordance with the same accounting policies adopted by the Group in the 2024 Financial Statements except for the adoption of new or revised HKFRSs which include HKFRSs, HKASs, amendments and interpretations ("**Int(s)**") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2025. Details of any changes in accounting policies are set out in note 3.

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGES IN OTHER ACCOUNTING POLICIES

In the current interim period, the Group has applied, for its first time, the following new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 January 2025:

Amendments to HKAS 21 Lack of Exchangeability

The application of the amendments to HKFRSs in the current interim period has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

4. REVENUE

Revenue represents the amounts received and receivable from sales of goods and provision of cloud-based computing and internet traffic services in the normal course of business, net of sales related tax.

Set out below is the disaggregation of the Group’s revenue from contracts with customers:

	Six months ended 30 June	
	2025	2024
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
– Sales of goods		
– Sales of functional knitted fabrics	22,338	39,469
– Sales of apparel	3,075	4,370
– Sales of yarns	4,824	9,342
	30,237	53,181
– Cloud-based computing and internet traffic services	6,214	5,639
	36,451	58,820

The above revenues are all recognised at a point in time.

5. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

- Sales of functional knitted fabrics, apparel and yarns; and
- Cloud-based computing and internet traffic services.

For the six months ended 30 June 2025

	Sales of functional knitted fabrics, apparel and yarns HK\$'000 (Unaudited)	Cloud-based computing and internet traffic services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	30,237	6,214	36,451
Segment (loss)/profit	(4,743)	774	(3,969)
Unallocated corporate expenses			(3,873)
Unallocated finance costs			(81)
Loss before taxation			(7,923)

5. SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2024

	Sales of functional knitted fabrics, apparel and yarns HK\$'000 (Unaudited)	Cloud-based computing and internet traffic services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	53,181	5,639	58,820
Segment profit	3,929	42	3,971
Unallocated corporate expenses			(3,078)
Unallocated finance costs			(32)
Profit before taxation			861

Segment assets

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Sales of functional knitted fabrics, apparel and yarns	134,734	151,683
Cloud-based computing and internet traffic services	18,341	16,591
Total segment assets	153,075	168,274
Corporate and other assets	6,854	10,325
Total assets	159,929	178,599

5. SEGMENT INFORMATION (Continued)

Segment liabilities

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Sales of functional knitted fabrics, apparel and yarns	18,661	32,898
Cloud-based computing and internet traffic services	4,916	5,132
Total segment liabilities	23,577	38,030
Corporate and other liabilities	16,326	15,297
Total liabilities	39,903	53,327

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Sales of functional knitted fabrics, apparel and yarns		
Customer A	8,421	11,664
Customer B	3,176	15,519

6. FINANCE COSTS

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interests on:		
– Bank borrowings and overdrafts	242	470
– Lease liabilities	88	43
	330	513

7. INCOME TAX CREDIT (EXPENSES)

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	942	(416)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as there are no assessable profits for the six months ended 30 June 2025 and 2024.

Under the Law of the PRC on Enterprise Income Tax ("EIT Law") and implementation regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008.

One of the Group's subsidiaries established in the PRC is recognised as a High and New-Technology Enterprise which has been granted tax concessions by the local tax bureau and is entitled to PRC EIT at a concessionary rate of 15%.

One of the Group's subsidiaries registered in the PRC is qualified under the Notice of Comprehensive Tax Relief for Small and Micro Enterprises recognised as small and low profit enterprises which have been granted tax concessions by PRC tax bureau and is entitled to PRC enterprise income tax at concessionary rate of 5% for the first portion of less than RMB1 million taxable income and 10% for the second portion of more than RMB1 million but less than RMB3 million taxable income during the reporting period.

Pursuant to the laws and regulations of the British Virgin Islands and the Cayman Islands, the Group is not subject to any income tax in these jurisdictions.

8. (LOSS)/PROFIT FOR THE PERIOD

(Loss)/profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff costs, excluding directors' emoluments:		
Salaries, allowances and other benefits	4,621	2,531
Contributions to retirement benefit scheme	398	257
	5,019	2,788
Cost of inventories recognised as an expense	24,254	36,975
Depreciation of plant and equipment	805	1,367
Gain on disposal of plant and equipment	(8)	–
Depreciation of right-of-use assets	1,032	393
Interest income	(10)	(76)
Expenses relating to short-term leases	470	636
Research and development expenses recognised as an expense (note)	1,226	–

Note:

The research and development expenses disclosed herein excluded salaries, allowances and other benefits of approximately HK\$2,521,000 and Nil, and contributions to retirement benefit scheme of approximately HK\$169,000 and Nil for the periods ended 30 June 2025 and 2024 respectively which had been included in salaries, allowances and other benefits disclosed above.

9. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings		
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	(6,981)	445
	30 June 2025	30 June 2024
	000	000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	576,000	576,000

Diluted (loss)/earnings per share were the same as basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding for the six months ended 30 June 2025 and 2024.

10. PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired plant and equipment of approximately HK\$261,000 (six months ended 30 June 2024: HK\$1,007,000).

11. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Gross amount of total trade receivables arising from contracts with customer	24,162	31,681
Less: allowance for impairment of trade receivables	(5,911)	(5,911)
	18,251	25,770
Other receivables	459	229
Deposits	1,744	1,892
Prepayments	53,222	42,337
Less: allowance for impairment of prepayments	(7,376)	(7,376)
	48,049	37,082

The Group allows a credit period of 30 to 120 days to its customers. The Group does not hold any collateral over its trade receivables. The following is an aging analysis of trade receivables net of allowance for impairment of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 30 days	12,319	13,537
31 to 60 days	2,272	5,792
61 to 90 days	2	439
91 to 180 days	1,926	4,669
181 to 365 days	1,623	194
More than 1 year	109	1,139
	18,251	25,770

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables	3,974	9,216
Other payables and accruals:		
Accrued expenses	6,385	4,232
Other payables	397	315
Other tax payables	2,193	1,468
	8,975	6,015

The following is an aged analysis of trade payables presented based on invoice dates at the end of the reporting period.

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 30 days	1,988	6,750
31 to 60 days	1,561	2,340
61 to 90 days	76	–
91 to 180 days	–	59
More than 180 days	349	67
	3,974	9,216

The credit period granted is ranging from 30 to 90 days. The Group has financial risk management in place to ensure that all payables are settled within the credit timeframe.

13. BANK OVERDRAFT/BORROWING AND OTHER LOANS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Bank overdraft	1,639	2,448
Unsecured bank borrowings (note a)	10,965	19,277
Other loans (note b)	6,644	6,644
	19,248	28,369

Note:

- a. All bank borrowings outstanding as at 30 June 2025 and 31 December 2024 respectively were guaranteed by Mr. Xi Bin, a director of a subsidiary of the Company, and his spouse.
- b. Included in other loans are (i) interest-bearing loans carried fixed interest at 5% of HK\$2,000,000 and HK\$434,000 from two independent third parties to the Group, respectively; and (ii) interest-free loans of HK\$360,000 and HK\$3,850,000 from Mr. Li Jian and Mr. Wong Kai Hung Kelvin, respectively, each of whom is an executive director and shareholder of the Company. Other than the interest-free loans which are payable on demand, the other loans are repayable in full within one or two years after 31 December 2024.

14. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

15. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated financial information for the six months ended 30 June 2025, the Group has the following transactions with related parties:

(a) Transactions with related parties

Related party	Nature of transaction	Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Proudly Limited (note i)	Consultancy services	60	60
Leahander Investment Limited (note ii)	Rental	36	–

Notes:

- i. The consultancy agreement was entered into by the Group and Proudly Limited, a company wholly owned by Mr. Hung Yuk Miu, a non-executive director of the Company, for the provision of certain consultancy services. Such consultancy agreement was negotiated on arm's length basis and the terms thereof are on normal commercial terms.
- ii. A subsidiary of the Company has entered into a tenancy agreement with Leahander Investment Limited, a company held by a holding company in which Mr. Wong Kai Hung, Kelvin, an executive Director of the Company, holds a shareholding interest. The tenancy is for a term of one year commencing on 1 March 2025, with an option to renew for a further one year. Such tenancy agreement was negotiated on arm's length basis and the terms thereof are on normal commercial terms.

(b) Personal guarantee provided by executive director to secure bank borrowings

Mr. Xi Bin, a director of a subsidiary of the Company, and his spouse have provided personal guarantees for the bank borrowings of approximately HK\$20,100,000 (six months ended 30 June 2024: approximately HK\$31,390,000) to the Group for the six months ended 30 June 2025.

(c) Compensation to key management personnel

The remuneration of key management personnel representing the directors of the Company, during the periods was as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	1,860	2,390
Post-employment benefits	27	18
	1,887	2,408

The remuneration of the key management personnel is determined by the Board of Directors of the Company having regards to, among others, the performance of individuals and market norm.

16. SEASONALITY OF OPERATIONS

Based on the Group's historical sales trends, the Group generally experiences more sales in functional knitted fabrics, apparel and yarns in the second half of the year as compared with the first half of the year due to the seasonality effect of demand for functional knitted fabrics.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the unaudited condensed interim consolidated financial information of the Company and its subsidiaries (collectively, the **"Group"**) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024.

Business Review and Outlook

The Company is an investment holding company and its principal subsidiaries are principally engaged in (i) sales of functional knitted fabrics, apparel and yarns; and (ii) cloud-based computing and internet traffic services.

The fabric products are primarily sold directly to (i) lingerie and apparel brand owners; (ii) sourcing agents; and (iii) garment manufacturers. The Group continues to design functional knitted fabrics through its product innovation capabilities, source its raw materials comprising primarily synthetic fibres and yarns and engage third party factories to carry out production processes comprising yarn spinning, knitting and dyeing, for its direct sales of functional knitted fabrics to the customers. With a view to diversifying the Group's source of revenue and creating cross-selling opportunity, the Group also engages in the sales of apparel to its customers which are lingerie and apparel brand owners.

The cloud-based computing and internet traffic services segment commenced since the year of 2023 and saw continuous growth.

The Group will continue to monitor the market situation and evaluate the Group's operation and financial performance in order to best position the Group. The Group will make adjustments to capture the headwinds of economic recovery in the PRC. The Group intends to drive emerging deployments in artificial intelligence (**"AI"**) media and cloud computing platform across Hong Kong and Mainland China markets, laying a foundation for the Group's future rapid development. Moving forward, the Group will continue to expand the advancement in cloud computing and AI technologies.

Financial Review

Revenue

The following table sets forth an analysis of our revenue by products during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
– Sales of goods		
– Sales of functional knitted fabrics	22,338	39,469
– Sales of apparel	3,075	4,370
– Sales of yarns	4,824	9,342
	30,237	53,181
– Cloud-based computing and internet traffic services	6,214	5,639
	36,451	58,820

The Group's revenue decreased by approximately HK\$22,369,000 or 38.0%, from approximately HK\$58,820,000 for the six months ended 30 June 2024 to approximately HK\$36,451,000 for the six months ended 30 June 2025.

The Group's revenue has not yet resumed to pre-epidemic level as expected by the management of the Company during the six months ended 30 June 2025. The gross profit had decreased by 61.7%, as compared with the six months ended 30 June 2024, and the steady development in the new business of cloud-based computing and internet traffic services is expected to narrow the gap.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$9,277,000 or 61.7% from approximately HK\$15,032,000 for the six months ended 30 June 2024 to approximately HK\$5,755,000 for the six months ended 30 June 2025.

The gross profit margin decreased by 9.8 percentage points from 25.6% for the six months ended 30 June 2024 to approximately 15.8% for the six months ended 30 June 2025. Such decrease was primarily attributable to a significant decrease in sales of functional knitted fabrics, apparel and yarns amid the challenging business environment in the textile industry in the People's Republic of China.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately HK\$145,000, or 4.3%, from approximately HK\$3,338,000 for the six months ended 30 June 2024 to approximately HK\$3,193,000 for the six months ended 30 June 2025 primarily due to the decrease in digital marketing and e-commerce agency fees and courier and postage expenses as a result of the decrease in sales of functional knitted fabrics, apparel and yarns.

Administrative and other expenses

The Group's administrative and other expenses decreased by approximately HK\$473,000, or 4.4%, from approximately HK\$10,784,000 for the six months ended 30 June 2024 to approximately HK\$10,311,000 for the six months ended 30 June 2025.

Income tax credit/(expenses)

The income tax credit was HK\$942,000 for the six months ended 30 June 2025 compared with the income tax expenses of approximately HK\$416,000 for the six months ended 30 June 2024, and the effective tax rate for the same period was approximately -11.9% and 48.3%, respectively. The change in the effective tax rate was mainly attributable to the Group's loss before tax for the period in 2025.

(Loss)/profit for the period attributable to owners of the Company

As a result of the foregoing, the loss for the period attributable to owners of the Company was HK\$6,981,000 for the six months ended 30 June 2025 compared with the profit of approximately HK\$445,000 for the six months ended 30 June 2024.

Dividend

The Board does not recommend the payment of any dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

Trade receivables and trade payables

The Group's trade receivables decreased by HK\$7,519,000, or 29.2%, from HK\$25,770,000 as at 31 December 2024 to HK\$18,251,000 as at 30 June 2025. Besides, the Group's trade payables also decreased by HK\$5,242,000, or 56.9%, from HK\$9,216,000 as at 31 December 2024 to HK\$3,974,000 as at 30 June 2025. The significant fluctuation in both the trade receivables and trade payables was due to the decrease in sales of functional knitted fabrics, apparel and yarns.

Liquidity, Financial Resources and Capital Structure

During the six months ended 30 June 2025, the Group financed its operation mainly through cash generated from our operating activities, bank borrowings and banking facilities.

As at 30 June 2025, the Group had cash and cash equivalents (defined as bank balance and cash less bank overdrafts and excluded pledged bank deposits) of approximately HK\$49,069,000 (as at 31 December 2024: HK\$78,823,000), bank borrowings and other loans of approximately HK\$17,609,000 (as at 31 December 2024: HK\$25,921,000) and bank overdraft of approximately HK\$1,639,000 (as at 31 December 2024: HK\$2,448,000).

As at 30 June 2025 and 31 December 2024, all outstanding bank borrowings were interest-bearing bank loans denominated in RMB and were guaranteed by Mr. Xi Bin, a director of a subsidiary of the Company, and his spouse. The bank overdraft of approximately HK\$1,639,000 as at 30 June 2025 (31 December 2024: HK\$2,448,000) was secured by pledged bank deposits of HK\$2,741,000 as at 30 June 2025 (31 December 2024: HK\$2,700,000).

The quick ratio of the Group as at 30 June 2025 was approximately 3.09 times (30 June 2024: approximately 3.35 times; 31 December 2024: approximately 2.86 times). The quick ratio of the Group as at 30 June 2025 was lower when compared with the corresponding period last year mainly due to the decrease in trade receivables. The increase in the quick ratio of 30 June 2025 when compared with 31 December 2024 was mainly due to the decrease in the bank borrowing and other loans and bank overdraft.

As at 30 June 2025, the Company's issued share capital was HK\$5,760,000 and the number of its issued ordinary shares ("Shares") was 576,000,000 of HK\$0.01 each.

Gearing Ratio

The Group's gearing ratio, which is calculated based on the total debt (defined as the sum of bank borrowings and other loans and bank overdraft) as at the respective financial period end date divided by total equity as at the respective corresponding period end date was approximately 16.0% as at 30 June 2025 (31 December 2024: 22.6%). The Company recorded a significant decrease in gearing ratio. Such decrease was caused by the decrease in bank borrowings and other loans and bank overdraft by HK\$9,121,000 as at 30 June 2025 when compared with that as at 31 December 2024.

Foreign Exchange Exposure Risks

The Group's reporting currency is Hong Kong dollars and most of the business transactions are denominated in other currencies including RMB and US dollars ("USD"). Hence, exchange rate fluctuation can affect the profit margin of the Group. The Group's foreign exchange gains or losses primarily arise from the settlement of trade payables denominated in USD. Although the receipt of our trade receivables was denominated in both RMB and USD, the Group's principal business is located in the PRC, and its transactions are mainly conducted in RMB. The Group did not use any hedging contracts to engage in speculative activities during the period ended 30 June 2025. The Group's management will closely monitor the foreign currency risk exposure and take necessary measures to minimise the potential foreign exchange risks.

Future Plans for Material Investments and Capital Assets

As of the date of this report, the Group had no plans for material investments or capital assets.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

For the six months ended 30 June 2025, the Group did not have any material acquisitions or disposals of any of the Company's subsidiaries and associated companies.

Significant Investment

The Group did not hold any significant investments during the six months ended 30 June 2025.

Commitments and Contingent Liabilities

As at 30 June 2025, the Group had no material capital commitments and contingent liabilities.

Charge on Group's Assets

The Group had pledged bank deposits of HK\$2,741,000 (31 December 2024: HK\$2,700,000) to secure general banking facilities granted to the Company's subsidiary in Hong Kong as at 30 June 2025. Save as disclosed above, as at 30 June 2025, the Group's bank borrowings and other loans of approximately HK\$17,609,000 (31 December 2024: HK\$25,921,000) were not secured by any of the Group's assets.

Employees and Remuneration Policies

As at 30 June 2025, the Group had 80 (30 June 2024: 77) employees and most of them were working in our Dongguan office. We incurred staff costs inclusive of performance-related bonuses and Directors' remuneration in the aggregate of approximately HK\$6,906,000 and HK\$5,196,000 for the six months ended 30 June 2025 and 2024, respectively. We regularly review the performance of our employees and make reference to such performance reviews in our salary review and promotional appraisal in order to attract and retain talented employees. For our sales staff, we offer a remuneration package comprising a basic salary and a performance-based bonus.

The Group emphasises the importance and necessity of cultivating an ethical culture inside a company. The Group provides training programs covering the skill of management, sales and marketing, and quality control to employees of the Group.

Issue of New Shares Under the General Mandate

On 29 July 2025, the Company entered into a subscription agreement with an independent third party ("**Subscriber**") pursuant to which the Company agreed to issue and allot to the Subscriber, and the Subscriber agreed to subscribe for, an aggregate of 63,000,000 Shares at the subscription price of HK\$0.760 per Share. Capitalised terms used in this section shall have the same meanings as those defined in the Company's announcement dated 29 July 2025 ("**Subscription Announcement**").

The 63,000,000 Subscription Shares, which will be issued under the General Mandate, represents (i) approximately 10.94% of the issued share capital of the Company immediately before completion of the Subscription, and (ii) approximately 9.86% of the issued share capital of the Company as enlarged by the issue of 63,000,000 Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$630,000. The Subscription Price of HK\$0.760 per Subscription Share represents: (i) a discount of approximately 16.48% to the closing price of HK\$0.91 per share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 5.71% to the average closing price of HK\$0.806 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The gross proceeds from the issue of the Subscription Shares will amount to HK\$47,880,000. The net proceeds from the Subscription after deducting related expenses payable by the Company are expected to amount to approximately HK\$47,620,000. On such basis, the net price is approximately HK\$0.756 per Subscription Share.

Completion of the Subscription is conditional upon the satisfaction of a number of conditions precedent more particularly set out in the Subscription Announcement on or before 18 August 2025 (or such other date as the Company and the Subscriber may mutually agree in writing). On 18 August 2025, the Company and the Subscriber entered into a supplemental agreement to the Subscription Agreement, pursuant to which the parties mutually agreed to extend the original long stop date from 18 August 2025 to 18 September 2025 (or such later date as the Company and the Subscriber may mutually agree in writing).

The Group will assess and determine the allocation of the use of proceeds after taking into account business needs and development of the Group. The Company is in the course of handling matters related to the application of listing of the relevant new Shares to be issued under the general mandate. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

As at the date of this report, the Subscription has not yet completed.

OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong ("**SFO**")) which are (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); (b) required to be recorded in the register required to be kept under section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Long Position in the Shares or the ordinary shares of the associated corporations of the Company

Name of Director	Name of Group member/associated corporation	Capacity/nature of Interest	Total number of shares	Percentage of interest
Mr. Wong Kai Hung Kelvin (" Mr. Wong ")	The Company	Beneficial Owner	5,000 Shares	0.00%
Mr. Li Jian	The Company	Beneficial Owner	89,495,000 Shares	15.54%
Mr. Chen Simon Guomin	The Company	Beneficial Owner	80,540,000 Shares	13.98%

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company nor their associates had registered an interest or short position in any shares or underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Directors' Rights to Acquire Shares and Debentures

At no time during the six months ended 30 June 2025 and up to the date of this report was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement which would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

So far as is known to any Directors or chief executive of the Company, as at 30 June 2025, the following persons (other than Directors or chief executive of the Company whose interests are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above) have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the Shares of the Company

Name of person	Name of Group member	Capacity/nature of Interest	Number and class of securities	Percentage of interest
Ms. Li Yingyang	The Company	Beneficial Owner	81,595,000 Shares	14.17%
Mr. Yasir Ali <i>(Note)</i>	The Company	Interest in a controlled corporation	96,000,000 Shares	16.67%
Meta Tdex Technology LLC (" Meta Tdex ") <i>(Note)</i>	The Company	Beneficial Owner	96,000,000 Shares	16.67%

Note:

As at 30 June 2025, Mr. Yasir Ali was interested in 96,000,000 Shares through a controlled corporation. These 96,000,000 Shares were registered in the name of Meta Tdex, 60% of whose issued share capital was owned by Mr. Yasir Ali as at 30 June 2025. By virtue of the provisions in Part XV of the SFO, Mr. Yasir Ali was deemed to be interested in all the Shares held by Meta Tdex.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other person who had or deemed to have interests or short positions in the Shares and underlying Shares which has disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under section 336 of the SFO.

Competing Interests

During the six months ended 30 June 2025 and up to the date of this report, none of the Directors or the substantial shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) is interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor has or may have any conflicts of interest with any business of the Group.

Audit Committee

The Company has established the audit committee ("**Audit Committee**") in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference. The full terms of reference setting out details of duties of the Audit Committee are in compliance with the Corporate Governance Code ("**CG Code**") set out in Part 2 of Appendix C1 to the GEM Listing Rules and are available on the websites of the Stock Exchange and the Company. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ng Wing Heng Henry, Dr. Chan Yee Wah, and Mr. Liu Mingfang. Mr. Ng Wing Heng Henry is the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's unaudited condensed interim consolidated financial information for the six months ended 30 June 2025, which have been approved by the Board on 29 August 2025 prior to its issuance. The Audit Committee is of the view that the unaudited condensed interim consolidated financial information for the six months ended 30 June 2025 is in compliance with the applicable accounting standards, the GEM Listing Rules and other legal requirements, and that sufficient disclosure has been made.

Securities Transactions by Directors

The Company has adopted a code of conduct ("**Code of Conduct**") regarding the dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed, having made specific enquiries of all Directors, that all Directors have complied with the Code of Conduct during the six months ended 30 June 2025 and up to the date of this report.

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 June 2025 and up to the date of this report, the Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of the Company's listed securities.

Corporate Governance Practices

The Group is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the CG Code. During the period and up to the date of this report, the Company has complied with all the applicable code provisions of the CG Code.

For and on behalf of the Board
WebX International Holdings Company Limited
Wong Kai Hung Kelvin
Chairman & Executive Director

Hong Kong, 29 August 2025

As at the date of this report, the Board comprises three executive Directors, namely, Mr. Wong Kai Hung Kelvin, Mr. Li Jian and Mr. Chen Simon Guomin; one non-executive Director, namely, Mr. Hung Yuk Miu; and three independent non-executive Directors, namely, Mr. Ng Wing Heng Henry, Dr. Chan Yee Wah and Mr. Liu Mingfang.