

Interim 中期
Report 報告
2025



K & P International Holdings Limited
堅寶國際控股有限公司*

(Incorporated in Bermuda with limited liability) (Stock Code: 675)
(於百慕達註冊成立之有限公司) (股份代號：675)

* For identification purpose only

* 僅供識別

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of K & P International Holdings Limited (the "Company") herein announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 together with the comparative figures for the previous period. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

		For the six months ended 30 June 2025 (Unaudited) HK\$	2024 (Unaudited) HK\$
	Notes		
REVENUE	3	81,107,649	89,330,897
Cost of sales		(65,531,557)	(73,478,530)
Gross profit		15,576,092	15,852,367
Other income and gains	3	1,892,251	2,151,129
Loss on financial assets/liabilities at fair value through profit or loss, net		–	(10,635,692)
Selling and distribution costs		(8,208,706)	(8,159,568)
Administrative and other expenses		(14,933,953)	(11,072,306)
Finance costs	4	(170,951)	(148,629)
LOSS BEFORE TAX	5	(5,845,267)	(12,012,699)
Income tax credit	6	863,502	1,203,710
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(4,981,765)	(10,808,989)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted		(HK1.87 cents)	(HK4.05 cents)

Details of the interim dividend are disclosed in note 7 to the financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$	HK\$
LOSS FOR THE PERIOD	(4,981,765)	(10,808,989)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	6,986,194	(3,469,004)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	2,004,429	(14,277,993)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$	31 December 2024 (Audited) HK\$
NON-CURRENT ASSETS			
Property, plant and equipment		178,305,645	176,370,789
Financial assets at fair value through profit or loss	9	680,000	680,000
Deferred tax assets		2,500,000	1,568,974
Total non-current assets		181,485,645	178,619,763
CURRENT ASSETS			
Inventories		32,618,737	42,168,351
Prepayments, deposits and other receivables		3,034,843	4,321,223
Financial assets at fair value through profit or loss	9	505,094	2,158,722
Trade receivables	10	29,769,843	34,654,395
Tax recoverable		574,420	1,053,270
Bank balances and cash	11	79,162,571	67,166,721
Total current assets		145,665,508	151,522,682
CURRENT LIABILITIES			
Financial liabilities at fair value through profit or loss	9	1,012,853	4,381,614
Trade payables	12	6,826,635	9,652,016
Accrued liabilities and other payables		26,497,161	30,224,112
Interest-bearing bank and other borrowings		7,000,000	3,000,000
Lease liabilities		181,993	122,983
Dividend payable		10,680,192	–
Tax payable		125,653	190,812
Total current liabilities		52,324,487	47,571,537
NET CURRENT ASSETS		93,341,021	103,951,145
TOTAL ASSETS LESS CURRENT LIABILITIES		274,826,666	282,570,908

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

As at 30 June 2025

	30 June 2025 (Unaudited) HK\$	31 December 2024 (Audited) HK\$
NON-CURRENT LIABILITIES		
Lease liabilities	930,496	–
Deferred tax liabilities	26,818,155	26,817,130
Total non-current liabilities	27,748,651	26,817,130
Net assets	247,078,015	255,753,778
EQUITY		
Share capital	26,700,480	26,700,480
Reserves	220,377,535	229,053,298
Total equity	247,078,015	255,753,778

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital (Unaudited) HK\$	Share premium account (Unaudited) HK\$	Contributed surplus (Unaudited) HK\$	Asset revaluation reserve (Unaudited) HK\$	Exchange fluctuation reserve (Unaudited) HK\$	Retained profits (Unaudited) HK\$	Proposed dividends (Unaudited) HK\$	Total equity (Unaudited) HK\$
At 1 January 2025	26,700,480	50,856,881	660,651	104,514,507	(16,850,836)	79,191,903	10,680,192	255,753,778
Loss for the period	-	-	-	-	-	(4,981,765)	-	(4,981,765)
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations	-	-	-	-	6,986,194	-	-	6,986,194
Total comprehensive income/(loss) for the period	-	-	-	-	6,986,194	(4,981,765)	-	2,004,428
Transactions with owners of the Company:								
2024 final dividend approved	-	-	-	-	-	-	(10,680,192)	(10,680,192)
2025 interim dividend declared	-	-	-	-	-	(5,340,096)	5,340,096	-
At 30 June 2025	26,700,480	50,856,881	660,651	104,514,507	(9,864,642)	68,870,042	5,340,096	247,078,015
At 1 January 2024	26,700,480	50,856,881	660,651	106,053,681	(10,140,456)	104,268,265	21,360,384	299,759,886
Loss for the period	-	-	-	-	-	(10,808,989)	-	(10,808,989)
Other comprehensive loss for the period:								
Exchange differences on translation of foreign operations	-	-	-	-	(3,469,004)	-	-	(3,469,004)
Total comprehensive loss for the period	-	-	-	-	(3,469,004)	(10,808,989)	-	(14,277,993)
Transactions with owners of the Company:								
2023 final dividend approved	-	-	-	-	-	-	(21,360,384)	(21,360,384)
2024 interim dividend declared	-	-	-	-	-	(5,340,096)	5,340,096	-
At 30 June 2024	26,700,480	50,856,881	660,651	106,053,681	(13,609,460)	88,119,180	5,340,096	264,121,509

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		For the six months ended 30 June 2025 (Unaudited) HK\$	2024 (Unaudited) HK\$
	Notes		
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		10,054,286	(7,696,067)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(2,638,721)	(1,565,866)
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,833,575	2,114,921
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11,249,140	(7,147,012)
Cash and cash equivalents at beginning of period		67,166,721	49,566,749
Effect of foreign exchange rate changes, net		746,710	(335,081)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	79,162,571	42,084,656

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the Group’s audited financial statements for the year ended 31 December 2024, except in relation to the following new/revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that are relevant to the Group and adopted for the first time of the current period’s financial statements:

Amendments to HKAS 1

Lack of Exchangeability

The adoption of the above other HKFRSs has had no material impact on the accounting policies of the Group and the methods of computation in the Group’s condensed consolidated financial statements.

2. OPERATING SEGMENT INFORMATION

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

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

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

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

2. OPERATING SEGMENT INFORMATION (CONTINUED)

For six months ended 30 June 2025	Precision parts and components (Unaudited) HK\$	Corporate and others (Unaudited) HK\$	Total (Unaudited) HK\$
Segment revenue:			
Sales to external customers	81,107,649	–	81,107,649
Reportable segment revenue and revenue	81,107,649	–	81,107,649
Segment results:	(4,666,772)	(2,096,538)	(6,763,310)
<i>Reconciliation:</i>			
Bank interest income			1,088,994
Finance costs			(170,951)
Loss before tax			(5,845,267)
Other segment information:			
Other income and gains	777,816	25,441	803,257
Depreciation of property, plant and equipment (excluding right-of-use assets)	(2,838,291)	(545,588)	(3,383,879)
Depreciation of right-of-use assets	(279,992)	(1,889,549)	(2,169,541)
Lease payments under short-term leases on office premium	–	(111,252)	(111,252)
Foreign exchange (loss)/gain, net	(3,840,981)	112,874	(3,728,107)
Capital expenditure	(2,537,481)	(101,240)	(2,638,721)

2. OPERATING SEGMENT INFORMATION (CONTINUED)

For six months ended 30 June 2024	Precision parts and components (Unaudited) HK\$	Corporate and others (Unaudited) HK\$	Total (Unaudited) HK\$
Segment revenue:			
Sales to external customers	89,330,897	–	89,330,897
Reportable segment revenue and revenue	89,330,897	–	89,330,897
Segment results:			
	(10,877,658)	(2,006,388)	(12,884,046)
<i>Reconciliation:</i>			
Bank interest income			1,019,976
Finance costs			(148,629)
Loss before tax			(12,012,699)
Other segment information:			
Other income and gains, net of foreign exchange gain	568,260	58,162	626,422
Depreciation of property, plant and equipment (excluding right-of-use assets)	(3,713,181)	(525,761)	(4,238,942)
Depreciation of right-of-use assets	(236,801)	(1,855,210)	(2,092,011)
Lease payments under short-term leases on office premium	–	(107,712)	(107,712)
Foreign exchange gain/(loss), net	561,342	(56,611)	504,731
Capital expenditure	(1,477,094)	–	(1,477,094)
Loss on financial assets/liabilities at fair value through profit or loss, net	(10,635,692)	–	(10,635,692)

2. OPERATING SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue of the precision parts and components segment derived from customers that contributing over 10% of the Group's revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Customer A	10,775,017	22,686,563
Customer B	10,359,086	10,075,027
Customer C	8,443,528	—*
	29,577,631	32,761,590

* This customer individually contributed less than 10% of the total revenue of the Group for six months ended 30 June 2024

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Hong Kong	1,595,644	2,266,897
Mainland China	7,941,386	7,267,811
Japan and other Asian countries	41,145,625	50,748,090
North America	13,050,835	13,943,074
South America	118,820	36,525
Europe	14,258,984	13,354,753
Other countries	2,996,355	1,713,747
Total revenue	81,107,649	89,330,897

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

2. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information (continued)

(b) Non-current assets

	30 June 2025 (Unaudited) HK\$	31 December 2024 (Audited) HK\$
Hong Kong	57,517,868	59,184,092
Mainland China	119,662,003	117,071,777
Other countries	1,125,774	114,920
	178,305,645	176,370,789

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

3. REVENUE, OTHER INCOME AND GAINS

	For the six months ended 30 June 2025 (Unaudited) HK\$	2024 (Unaudited) HK\$
Revenue from contracts with customers within the scope of HKFRS 15:		
Sale of goods	81,107,649	89,330,897
Other income and gains:		
Bank interest income calculated using the effective interest method	1,088,994	1,019,976
Tooling charge income	12,254	48,559
Sale of scrap and material	431,398	184,360
Sale of sample	352,026	384,778
Foreign exchange gain, net	–	504,731
Others	7,579	8,725
	1,892,251	2,151,129
Total revenue, other income and gains	82,999,900	91,482,026

4. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Interest on bank loans and overdrafts wholly repayable within five years	169,714	141,747
Interest on lease liabilities	1,237	6,882
	170,951	148,629

5. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Staff cost*	37,092,519	38,312,459
Depreciation of property, plant and equipment (excluding right-of-use assets)*	3,383,879	4,238,942
Depreciation of right-of-use assets*	2,169,541	2,092,011
Loss on disposal of items of property, plant and equipment, net	14,359	13,399
Foreign exchange loss/(gain), net	3,728,107	(504,731)
Sales commission	702,511	912,892

* The staff cost and depreciation amounting to HK\$28,030,810 and HK\$3,364,406 (six months ended 30 June 2024: HK\$29,533,335 and HK\$4,205,095) respectively for the period are included in "Cost of sales" in the condensed consolidated income statement.

6. INCOME TAX

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Current – Hong Kong		
Charge for the period	–	74,000
Current – outside Hong Kong		
Charge for the period	66,498	82,290
Deferred taxation		
Origination and reversal of temporary difference	(930,000)	(1,360,000)
Tax credit for the period	(863,502)	(1,203,710)

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on assessable profits outside Hong Kong have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

7. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Attributable to the period:		
Interim dividend – HK2 cents (2024: HK2 cents) per ordinary share	5,340,096	5,340,096
Attributable to the previous year, approved during the period:		
Final dividend – HK4 cents (2024: HK8 cents) per ordinary share	10,680,192	21,360,384

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share is based on the loss for the period attributable to owners of the Company of HK\$4,981,765 (six months ended 30 June 2024: HK\$10,808,989) and the weighted average number of 267,004,800 (six months ended 30 June 2024: 267,004,800) ordinary shares in issue during the period.

As there were no dilutive potential ordinary shares, diluted loss per share was the same as basic loss per share for the period ended 30 June 2025 and 2024.

9. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 (Unaudited) HK\$	31 December 2024 (Audited) HK\$
Non-current assets		
Club membership	680,000	680,000
Current assets		
Forward currency contracts	505,094	2,158,722
Current liabilities		
Forward currency contracts	(1,012,853)	(4,381,614)

Club membership

At 30 June 2025 and 31 December 2024, the unlisted investment represented club membership issued by a private entity. It is measured at fair value at the end of each reporting period. The fair value of the club membership is determined with reference to the publicly available price information.

Forward currency contracts, at fair values

The Group entered into three (at 31 December 2024: six) forward currency contracts at a total of US\$6,729,331 (at 31 December 2024: US\$13,175,216) for the exchange of United States Dollars ("US\$") with Renminbi ("RMB") with the forward rates ranged from RMB6.974 to RMB6.997 (at 31 December 2024: RMB6.819 to RMB6.997) per US\$1. The maturity dates of these forward currency contracts were during the period from 15 August 2025 to 10 October 2025 (at 31 December 2024: 19 March 2025 to 10 October 2025).

For the six months ended 30 June 2024, the Group has loss of HK\$10,635,692 arising from fair value change of the outstanding forward currency contracts, together with loss at termination of four forward currency contracts of a total of US\$10,113,353 on the maturity dates and twelve contracts of a total of US\$32,177,151 before the maturity dates, for the exchange of US\$ with RMB which depreciated. The original maturity dates for the twelve contracts terminated before maturity date during the period were from 16 May 2024 to 11 July 2025.

10. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 60 days of issuance, except for certain well-established customers, where the terms are extended from 60 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are regularly reviewed by senior management. As at 30 June 2025, there is a significant concentration of credit risk as 23% (at 31 December 2024: 33%) of the balance representing receivables from a single customer, which was derived from sales by the precision parts and components segment. Trade receivables are non-interest-bearing. The carrying amounts of these balances approximate to their fair values.

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

	30 June 2025 (Unaudited) HK\$	31 December 2024 (Audited) HK\$
Within 90 days	27,209,450	30,166,137
91 to 180 days	2,553,286	4,488,258
Over 180 days	7,107	–
	29,769,843	34,654,395

11. BANK BALANCES AND CASH

	30 June 2025 (Unaudited) HK\$	31 December 2024 (Audited) HK\$
Time deposits with original maturity over three months	–	–
Cash and cash equivalents as stated in the consolidated statement of cash flows	79,162,571	67,166,721
	79,162,571	67,166,721

12. TRADE PAYABLES

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

	30 June 2025 (Unaudited) HK\$	31 December 2024 (Audited) HK\$
Within 90 days	6,783,680	9,618,408
91 to 180 days	13,490	20,045
Over 180 days	29,465	13,563
	6,826,635	9,652,016

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

13. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	For the six months ended 30 June 2025 (Unaudited) HK\$	2024 (Unaudited) HK\$
Short term employee benefits	3,857,763	3,700,074
Contributions to retirement benefit schemes	4,500	9,000
Total compensation paid to key management personnel	3,862,263	3,709,074

14. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 22 August 2025.

DIVIDEND

The directors recommend the payment of an interim dividend of HK2 cents (six months ended 30 June 2024: HK2 cents) per ordinary share on Friday, 10 October 2025 to the shareholders whose names appear on the Register of Members of the Company on Wednesday, 17 September 2025, being the record date for determining shareholders' entitlement to the interim dividend.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Friday, 12 September 2025 to Wednesday, 17 September 2025, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the above dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group's turnover for the period ended 30 June 2025 amounted to approximately HK\$81.1 million, representing a decrease of 9.2%, comparing with the same period last year. Overall gross profit was decreased by 1.7% to approximately HK\$15.6 million. Loss attributable to owners of the Company was approximately HK\$5.0 million (six months ended 30 June 2024: HK\$10.8 million).

Basic loss for the period ended 30 June 2025 amounted to HK1.87 cents (six months ended 30 June 2024: HK4.05 cents) per share.

Business Review and Future Plan

In April 2025, the United States President announced new tariffs on trading partners, which weakened the global consumer sentiment and business confidence. Despite a 90-day tariff pause released afterwards, the Group's customers slowed down the purchase orders, postponed the capital investments, delayed the new project development and launching. As a result, at the second quarter of 2025, the orders from customers recorded 19.6% decline as compared with the first quarter of 2025. Hence, the Group's revenue dropped as compared with same period of 2024. Since most of revenue is denominated in US dollars, the fluctuation in the exchange rate of US dollars could have effects on the Group's result. At the first half of 2025, due to the US dollars depreciation, the Group recorded an exchange loss approximately HK\$3.7 million (six months ended 30 June 2024: exchange gain of HK\$0.5 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Business Review and Future Plan (continued)

For the precision parts and components segment, the turnover decreased by 9.2% to approximately HK\$81.1 million, while the segment loss decreased to HK\$4.7 million from HK\$10.9 million, comparing with the same period of 2024. The segment loss for six months ended 30 June 2025 included the above-mentioned exchange loss of approximately HK\$3.7 million, while the segment loss for the same period of 2024 included a loss of approximately HK\$10.6 million in the forward currency contracts, which had been discussed in 2024 interim and annual reports.

The gross profit margin of the Group for the six months ended 30 June 2025 improved 1.5 percentage points to 19.2% as compared with the same period of 2024, mainly benefitted from the enhanced flexibility at the production facilities. The selling and distribution costs maintained at approximately HK\$8.2 million, while the administrative expenses increased by HK\$3.9 million to approximately HK\$14.9 million mainly attributable to the above-mentioned exchange loss. The finance costs maintained at approximately HK\$0.2 million.

Looking ahead, the International Monetary Fund recently projected 2025-2026 global growth with an upward revision from the April 2025. Emerging markets are predicted with growth at around 5.0% driven by domestic demand and supply chain diversification, while advanced economies maintained modest growth, including the European Union (the major market for the Group's top customers) at 1.5%. Amid weak demand in traditional markets, since the beginning of 2025, the Group had been actively exploring new markets aiming to heighten the revenue and profit margin. In addition, the Group enhanced the flexibility at the production facilities to cope with escalating market volatility. Despite the uncertainties in tariff and geopolitical tensions, we are confident that the Group with the strong balance sheet will return to growth and profitability. The Group's financial position is healthy, and strong enough to finance any business expansion and daily operation, amid any economic uncertainty in the future.

Liquidity and Financial Resources

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

The total borrowings from banks and other financial institution included all term loans and import and export loans, which amounted to approximately HK\$7.0 million as at 30 June 2025.

The Group's financial position remains healthy. As at 30 June 2025, the aggregate balance of bank balances and cash of the Group amounted to approximately HK\$79.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Liquidity and Financial Resources (continued)

The Group's borrowings are on a floating rate basis and are mainly denominated in HK\$ or US\$. These match with the principal currencies in which the Group conducts its business.

The gearing ratio on the basis of net debt divided by the total capital plus net debt as at 30 June 2025 and 31 December 2024 were negative. The negative gearing ratio as at 30 June 2025 and 31 December 2024 represents the Group is "net cash" position (i.e.: had more bank balances and cash than its debt).

Charge on the Group's Assets

As at 30 June 2025 and 31 December 2024, none of the Group's machines and equipment was pledged under lease.

Capital Structure

As at 30 June 2025, the Company had 267,004,800 ordinary shares in issue with total shareholders' equity of the Group amounted to approximately HK\$247.1 million.

Fund Raising

Other than obtaining general loan facilities to finance the Group's trading requirements, the Group did not have any fund raising activities during the period ended 30 June 2025.

Employees

As at 30 June 2025, the Group had a total workforce of approximately 700 of which approximately 29 were based in Hong Kong, approximately 5 were based in overseas and approximately 666 were based in Mainland China.

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests of the directors in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name of director	Number of shares held, capacity and nature of interest			Percentage of the Company's issued share capital
	Directly beneficially owned	Founder of a discretionary trust	Total	
Lai Pei Wor	36,988,000	*97,242,000	134,230,000	50.27
Chan Yau Wah	20,000	–	20,000	0.00

* Details of Mr. Lai Pei Wor's other interests are set out in the section headed "Substantial shareholders' and other persons' interests and short positions in shares and underlying shares" below.

Save as disclosed above, as at 30 June 2025, none of the directors had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries, a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Number of shares held, capacity and nature of interest				Percentage of the Company's issued share capital
	Directly beneficially owned	Through spouse or minor children	Beneficiary of a trust	Total	
Celaya (PTC) Limited (Note a)	–	–	97,242,000	97,242,000	36.42
Trident Corporate Services (B.V.I.) Limited (Note b)	–	–	97,242,000	97,242,000	36.42
Lai Yiu Chun (Note c)	3,150,000	21,450,000	–	24,600,000	9.21
Lam Lin Chu (Note c)	22,434,000	2,166,000	–	24,600,000	9.21

Notes:

- (a) Celaya (PTC) Limited holds 97,242,000 shares in its capacity as trustee of The Lai Family Unit Trust, of which all units are held by Trident Corporate Services (B.V.I.) Limited in its capacity as trustee of The Lai Family Trust, a discretionary trust of which the issue of Mr. Lai Pei Wor is discretionary objects.
- (b) The shares referred to herein relate to the same parcel of shares referred to in note (a) above.
- (c) Ms. Lam Lin Chu is the wife of Mr. Lai Yiu Chun, who is a brother of Mr. Lai Pei Wor. Both Ms. Lam Lin Chu and Mr. Lai Yiu Chun are declaring interests in the same parcel of shares.

Save as disclosed above, as at 30 June 2025, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE CODE

In the opinion of the directors, saved for the deviation discussed below, the Company has complied with all the code provisions of the Corporate Governance Code, as set out in Appendix C1 of the Listing Rules, throughout the accounting period covered by the interim report, except the following deviation:

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of Appendix C3 of the Listing Rules. Based on specific enquiry of the Company's directors, all directors have complied with the required standard set out in the Model Code throughout the period.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee of the Company currently comprises three independent non-executive directors, namely, Mr. Mak Kwai Wing, Mr. Li Yuen Kwan, Joseph and Ms. Pong Suet Hing. The audit committee has reviewed the unaudited interim financial statements for the six months ended 30 June 2025.

PUBLICATION OF INTERIM REPORT

The Company's interim report containing all the relevant information required by the Listing Rules will be published in due course on the websites of the HKEX (www.hkexnews.hk) and of the Company (www.kpihl.com).

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

Hong Kong, 22 August 2025

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



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