



WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0532)



INTERIM REPORT 2026

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CORPORATE INFORMATION

Non-Executive Director

Wong Senta (*appointed as Honorary Chairman and re-designated as non-executive director on 3 August 2026*)

Executive Directors

Wong Ava (*Deputy Chairman & Chief Executive Officer*)

Wong Orangeo Wendy (*Deputy Chairman*)

Chang Jui Shum Victor (*ceased directorship on 21 March 2026*)

Independent Non-Executive Directors

Tse Wan Chung Philip

Leung Kam Fong

Yip Wai Chun

Lam Yiu Wing Andrew

Company Secretary

Chow Man Ngan

Solicitors

J. S. Gale & Co.

Stephenson Harwood

Bankers

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Hang Seng Bank Limited

Bank of China (Hong Kong) Limited

United Overseas Bank Limited

DBS Bank (Hong Kong) Limited

Share Registrars

Principal Registrar

Appleby Global Corporate Services (Bermuda) Limited

Hong Kong Registrar

Tricor Investor Services Limited

Registered Office

Richmond House

12 Par-la-Ville Road

Hamilton HM 08

Bermuda (*with effect from 3 August 2026*)

Principal Office

17/F, Harbourside HQ

No. 8 Lam Chak Street

Kowloon Bay

Hong Kong

INTERIM REPORT

The Board of Directors of Wong's Kong King International (Holdings) Limited (the "Company") announces that the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026 together with comparative figures for the corresponding period in 2025 are as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June 2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
	Note		
Revenue	7	1,686,130	1,817,904
Other gains, net	8	8,438	8,242
Raw materials and consumables used		(870,029)	(832,912)
Purchases of finished goods		(395,424)	(505,396)
Changes in inventories of finished goods and work in progress		22,098	(63,866)
Employee benefit expenses		(278,392)	(280,359)
Depreciation and amortisation		(26,710)	(30,694)
Net provision for impairment loss on financial assets		(155)	(228)
Other expenses	9	(106,518)	(99,908)
Operating profit	10	39,438	12,783
Finance income	11	2,365	2,821
Finance costs	11	(14,270)	(14,671)
Finance costs, net	11	(11,905)	(11,850)
Share of profit of joint ventures		3,332	11,795
Profit before income tax		30,865	12,728
Income tax expense	12	(28,437)	(16,139)
Profit/(loss) for the period	6	2,428	(3,411)
Attributable to:			
Owners of the Company		(2,340)	(11,042)
Non-controlling interests		4,768	7,631
		2,428	(3,411)
Loss per share for loss attributable to the owners of the Company during the period (expressed in Hong Kong cents per share)			
– basic	13	(0.32)	(1.51)
– diluted	13	(0.32)	(1.51)

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit/(loss) for the period	2,428	(3,411)
Other comprehensive income/(loss):		
<i>Item that will not be reclassified</i>		
<i>subsequently to profit or loss</i>		
Fair value gains/(losses) on equity investments at fair value through other comprehensive income, net of tax	159,476	(34,522)
Currency translation differences attributable to non-controlling interests	(497)	–
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	25,732	34,646
Total comprehensive income/(loss) for the period	187,139	(3,287)
Attributable to:		
Owners of the Company	136,480	(19,068)
Non-controlling interests	50,659	15,781
	187,139	(3,287)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2026

	Note	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	343,538	358,798
Right-of-use assets	15	62,220	61,110
Deposits and prepayments		15,985	15,478
Intangible assets		385	506
Interests in joint ventures		40,012	42,965
Deferred tax assets		30,958	31,838
Financial assets at fair value through other comprehensive income	16	213,681	55,771
Financial assets at fair value through profit or loss		–	616
Club membership and debentures		12,832	12,832
Total non-current assets		719,611	579,914
Current assets			
Inventories		796,615	651,174
Trade and other receivables	18	1,013,573	1,092,591
Deposits and prepayments		46,491	52,412
Tax recoverable		107	479
Derivative financial instruments		2	–
Short-term bank deposits		86,139	80,346
Cash and cash equivalents		646,583	533,991
Total current assets		2,589,510	2,410,993
Total assets		3,309,121	2,990,907
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	39,624	40,783
Provision for assets retirement obligations		1,710	1,710
Deferred tax liabilities		5,896	5,896
Employee benefit obligations		2,265	2,631
Total non-current liabilities		49,495	51,020

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

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INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED) AS AT 30 JUNE 2026

	Note	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Current liabilities			
Trade and other payables	19	819,291	782,125
Contract liabilities	20	200,334	80,642
Current income tax liabilities		15,228	18,424
Bank borrowings	23	596,074	608,828
Lease liabilities	15	17,879	15,129
Derivative financial instruments		539	424
Total current liabilities		1,649,345	1,505,572
Total liabilities		1,698,840	1,556,592
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	21	72,990	72,990
Reserves		1,410,777	1,272,046
		1,483,767	1,345,036
Non-controlling interests		126,514	89,279
Total equity		1,610,281	1,434,315
Total equity and liabilities		3,309,121	2,990,907

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The interim condensed consolidated financial statements on page 3 to 42 was approved by the Board of Directors on 24 August 2026 and were signed on its behalf.

Wong Ava
Director

Wong Orangeo Wendy
Director

INTERIM REPORT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2026

	(Unaudited)										Non-controlling interests	Total equity	
	Attributable to owners of the Company												
Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Special reserve HK\$'000	Financial assets at fair value through other comprehensive income revaluation reserve HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	HK\$'000	HK\$'000	
Balance at 31 December 2025 and 1 January 2026	72,990	71,341	1,610	26,624	13,400	18,285	(47,283)	3,718	(663)	1,185,144	1,345,036	89,279	1,434,315
Comprehensive income/(loss)													
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	(2,340)	(2,340)	4,768	2,428
Other comprehensive income/(loss)													
Fair value gains on equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	113,088	-	-	-	-	113,088	46,388	159,476
Currency translation differences	-	-	-	-	-	-	25,732	-	-	-	25,732	(497)	25,235
Total comprehensive income/(loss) for the period ended 30 June 2026													
-	-	-	-	-	-	113,088	25,732	-	-	(2,340)	136,480	50,659	187,139
Transfer of accumulated gains on disposal of equity investment at fair value through other comprehensive income to retained earnings													
-	-	-	-	-	-	(738)	-	-	-	738	-	-	-
Transactions with owners													
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(13,424)	(13,424)
Disposal of interest in a partially owned subsidiary	-	-	-	-	-	-	-	-	2,251	-	2,251	-	2,251
Reversal of transfer from retained earnings to special reserve	-	-	-	-	(3,594)	-	-	-	-	3,594	-	-	-
Lapsed of share options	-	-	-	-	-	-	-	(705)	-	705	-	-	-
Balance at 30 June 2026	72,990	71,341	1,610	26,624	9,806	130,615	(21,661)	3,013	1,588	1,187,841	1,483,767	126,514	1,610,281

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM REPORT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(Unaudited)													
Attributable to owners of the Company											Non-controlling interests	Total equity	
Share capital	Share premium	Capital redemption reserve	Contributed surplus	Special reserve	Financial assets at fair value through other comprehensive income	Translation reserve	Share option reserve	Capital reserve	Retained earnings	Total			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 31 December 2024 and 1 January 2025	72,990	71,341	1,610	26,624	13,400	35,150	(59,890)	4,578	(663)	1,239,194	1,404,334	82,749	1,487,083
Comprehensive (loss)/income													
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(11,042)	(11,042)	7,631	(3,411)
Other comprehensive (loss)/income													
Fair value (losses)/gains on equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	(34,678)	-	-	-	(34,678)	156		(34,522)
Currency translation differences	-	-	-	-	-	-	26,652	-	-	26,652	7,994		34,646
Total comprehensive (loss)/income for the period ended 30 June 2025	-	-	-	-	-	(34,678)	26,652	-	-	(11,042)	(19,068)	15,781	(3,287)
Transactions with owners													
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(11,969)		(11,969)
Lapsed of share options	-	-	-	-	-	-	-	(757)	-	757	-	-	-
Balance at 30 June 2025	72,990	71,341	1,610	26,624	13,400	472	(33,238)	3,821	(663)	1,228,909	1,385,266	86,561	1,471,827

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Six months ended 30 June 2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Cash flows from operating activities			
Cash from operations		170,014	3,685
Income tax paid		(30,501)	(7,712)
Net cash from/(used in) operating activities		139,513	(4,027)
Cash flows from investing activities			
Interest received		2,365	2,821
Dividend income from a joint venture		6,285	–
Purchase of property, plant and equipment	14	(2,671)	(4,119)
Proceeds from disposal of property, plant and equipment		1,028	36
Proceeds from disposal of financial assets at fair value through other comprehensive income		916	–
Proceeds from disposal of financial assets at fair value through profit or loss		1,308	–
Increase in long-term deposits		(527)	(1,650)
Increase in short-term bank deposits		(5,793)	(36,662)
Net cash from/(used in) investing activities		2,911	(39,574)
Cash flows from financing activities			
Interest paid		(12,840)	(12,939)
Proceeds from new bank borrowings	23	1,032,280	1,587,409
Repayment of bank borrowings	23	(1,045,034)	(1,474,226)
Principal element of lease rentals paid		(9,022)	(7,219)
Interest element of lease rentals paid		(1,430)	(1,732)
Net cash (used in)/from financing activities		(36,046)	91,293
Net increase in cash and cash equivalents		106,378	47,692
Cash and cash equivalents at beginning of the period		533,991	467,438
Effect of foreign exchange rate changes		6,214	19,747
Cash and cash equivalents at end of the period		646,583	534,877
Analysis of cash and cash equivalents: Bank balances and cash		646,583	534,877

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

Wong's Kong King International (Holdings) Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the trading and distribution of chemicals, materials and equipment used in the manufacture of printed circuit boards and electronic products and the manufacture of electrical and electronic products for original equipment manufacturer ("OEM") customers.

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11 Bermuda (subsequently changed to Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda with effect from 3 August 2026) and its principal place of business is 17/F, Harbourside HQ, No. 8 Lam Chak Street, Kowloon Bay, Hong Kong.

The unaudited interim condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2025, which has been prepared in accordance with HKFRS Accounting Standards.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements has been prepared in consistent with those principal accounting policies followed in the Annual Report 2025 except the adoption of the following new/revised HKFRS Accounting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants which are effective for accounting periods commencing on or after 1 January 2026.

(a) Amended standard adopted by the Group

The following new amendments to standard were required to be adopted by the Group effective from 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments) Contracts Referencing Nature – dependent Electricity (amendments)
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11

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3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Amended standard adopted by the Group (Continued)

- (i) Amendments to HKFRS 9 and HKFRS 7 Classification and Measurement of Financial Instruments

These amendments:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change the cash flows; and
- Update the disclosures for equity instruments at fair value through other comprehensive income (FVOCI).

The adoption of these amendments did not have material effects on the unaudited interim condensed consolidated financial statements of the Group. However, the amendments impacted on the following areas:

- Disclosures of investments in equity instruments whose changes in fair value the Group has elected to present in other comprehensive income (see Note 16)

Other amended standards listed above did not have any impact on the amounts recognised in prior periods and current periods.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) New and amended standards and interpretations issued not yet adopted

Certain new and amended standards and interpretations issued have been published that are not mandatory for financial period beginning 1 January 2026 and have not been early adopted by the Group.

		Effective for periods beginning on or after
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 HKAS 21	Translation to a Hyperinflationary Presentation Currency	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 interpretations 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.

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3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) New and amended standards and interpretations issued not yet adopted (Continued)

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.

4. ESTIMATES

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements as at 31 December 2025.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value and cash flow interest risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

There have been no changes in the risk management policies since 31 December 2025.

(b) Fair value estimation

The carrying value of all financial assets less impairment provision are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value estimation (Continued)

Fair value hierarchy

The financial instruments measured at fair value are disclosed by the following measurement hierarchy:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Fair value measurements as at 30 June 2026 and 31 December 2025 are categorised into level 1, level 2 and level 3 as below:

Recurring fair value measurement	Fair value at 30 June 2026 Total HK\$'000	Fair value measurements as at		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Financial assets				
Financial assets at fair value through profit or loss				
– Listed equity securities	-	-	-	-
Financial assets at fair value through other comprehensive income				
– Listed equity securities	149,173	149,173	-	-
– Unlisted equity securities	64,508	-	-	64,508
Derivative financial instruments				
– Forward foreign exchange contracts	2	-	2	-
Financial liabilities				
Derivative financial instruments				
– Forward foreign exchange contracts	539	-	539	-

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value estimation (Continued)
Fair value hierarchy (Continued)

Recurring fair value measurement	Fair value at	Fair value measurements as at		
	31 December			
	2025 Total HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Financial assets				
Financial assets at fair value through profit or loss				
- Listed equity securities	616	616	-	-
Financial assets at fair value through other comprehensive income				
- Unlisted equity securities	55,771	-	-	55,771
Derivative financial instruments				
- Forward foreign exchange contracts	-	-	-	-
Financial liabilities				
Derivative financial instruments				
- Forward foreign exchange contracts	424	-	424	-

During the period ended 30 June 2026, there were no transfers between level 1 and level 2 for recurring fair value measurements (2025: same). For transfer out of level 3 measurements see Note 16(b).

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

All the resulting fair value estimates of the Group's investments in listed equity securities are included in level 1.

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5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value estimation (Continued)

(ii) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

All the resulting fair value estimates of the Group's forward foreign currency contracts are included in level 2.

(iii) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All the resulting fair value estimates of the Group's investments in unlisted equity securities are included in level 3.

There were no other changes in valuation techniques during the period.

6. 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

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6. SEGMENT INFORMATION (CONTINUED)

The segment information for the six months ended 30 June 2026 is as follows:

	Trading and Distribution HK\$'000	OEM Manufacturing HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue					
External sales	770,730	914,046	1,354	-	1,686,130
Inter-segment sales	248,912	697	9,155	(258,764)	-
Total	1,019,642	914,743	10,509	(258,764)	1,686,130
Timing of revenue recognition					
At a point in time	995,611	914,743	10,509	(254,952)	1,665,911
Over time	24,031	-	-	(3,812)	20,219
	1,019,642	914,743	10,509	(258,764)	1,686,130
Results					
Segment results	77,125	(28,998)	(9,055)	366	39,438
Finance income	2,195	156	14	-	2,365
Finance costs	(801)	(13,007)	(462)	-	(14,270)
Segment operating profit/(loss)	78,519	(41,849)	(9,503)	366	27,533
Share of profit of joint ventures					3,332
Profit before income tax					30,865
Income tax expense					(28,437)
Profit for the period					2,428

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6. SEGMENT INFORMATION (CONTINUED)

The segment information for the six months ended 30 June 2025 is as follows:

	Trading and Distribution HK\$'000	OEM Manufacturing HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue					
External sales	926,171	876,119	15,614	-	1,817,904
Inter-segment sales	137,522	1,414	14,210	(153,146)	-
Total	1,063,693	877,533	29,824	(153,146)	1,817,904
Timing of revenue recognition					
At a point in time	1,043,680	877,533	29,695	(149,707)	1,801,201
Over time	20,013	-	129	(3,439)	16,703
	1,063,693	877,533	29,824	(153,146)	1,817,904
Results					
Segment results	68,009	(46,138)	(9,386)	298	12,783
Finance income	2,342	422	57	-	2,821
Finance costs	(1,288)	(12,750)	(633)	-	(14,671)
Segment operating profit/(loss)	69,063	(58,466)	(9,962)	298	933
Share of profit of joint ventures					11,795
Profit before income tax					12,728
Income tax expense					(16,139)
Loss for the period					(3,411)

During the six months ended 30 June 2026, segment results include the raw materials and consumables used, purchases of finished goods, changes in inventories of finished goods and work in progress, employee benefit expenses and depreciation and amortisation incurred by those segments (2025: same).

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6. SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities as at 30 June 2026 are as follows:

	Trading and Distribution HK\$'000	OEM Manufacturing HK\$'000	Others HK\$'000	Consolidated HK\$'000
Assets				
Segment assets	1,739,521	1,435,181	134,419	3,309,121
Liabilities				
Segment liabilities	611,669	1,080,134	7,037	1,698,840

The segment assets and liabilities as at 31 December 2025 are as follows:

	Trading and Distribution HK\$'000	OEM Manufacturing HK\$'000	Others HK\$'000	Consolidated HK\$'000
Assets				
Segment assets	1,424,818	1,450,972	115,117	2,990,907
Liabilities				
Segment liabilities	409,883	1,059,922	86,787	1,556,592

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6. SEGMENT INFORMATION (CONTINUED)

An analysis of the Group's other segment information is as follows:

	Trading and Distribution HK\$'000	OEM Manufacturing HK\$'000	Others HK\$'000	Consolidated HK\$'000
For the period ended 30 June 2026				
Capital expenditure	1,764	280	627	2,671
Depreciation of property, plant and equipment	3,966	13,115	241	17,322
Depreciation of right-of-use assets	2,647	1,726	4,894	9,267
Amortisation of intangible assets	76	–	45	121

For the period ended 30 June 2025				
Capital expenditure	3,691	45	383	4,119
Depreciation of property, plant and equipment	3,948	14,931	1,486	20,365
Depreciation of right-of-use assets	3,136	1,720	5,352	10,208
Amortisation of intangible assets	76	–	45	121

Analysis of the Group's revenue by geographical market is as follows:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Hong Kong, Chinese Mainland and Taiwan	803,683	961,312
Europe	486,361	445,094
North America	177,167	244,174
Others	218,919	167,324
	1,686,130	1,817,904

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6. SEGMENT INFORMATION (CONTINUED)

Analysis of the Group's non-current assets other than intangible assets, interests in joint ventures, deferred tax assets, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, based on the location of the assets, is as follows:

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Hong Kong, Chinese Mainland and Taiwan	368,374	380,780
Others	66,201	67,438
	434,575	448,218

7. REVENUE

	Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
Sales of goods	1,650,151	1,795,329
Commission income	13,152	4,343
Service fee income	20,219	16,703
Ticketing and touring income	1,304	565
Others	1,304	964
	1,686,130	1,817,904

8. OTHER GAINS, NET

	Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
Government subsidies (Note)	1,340	967
Fair value gains on equity investments at financial assets at fair value through profit or loss	702	68
Tooling income	6,396	7,207
	8,438	8,242

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8. OTHER GAINS, NET (CONTINUED)

Note: It represents subsidies mainly received from certain People's Republic of China (the "PRC") local government authorities (2025: same). There are no unfulfilled conditions or other contingencies attaching to these grants.

9. OTHER EXPENSES

Other expenses are stated after charging the following:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Auditors' remuneration	1,648	1,821
Bank charges	1,810	1,966
Charitable donations	305	303
Consumables	5,280	6,113
Expenses relating to short-term leases	1,204	1,485
Expenses relating to leases of low-value assets that are not shown above as short-term leases	14	18
Electricity, water and other utility	10,639	11,305
Freight and insurance	10,755	13,911
Losses on disposal of property, plant and equipment	54	171
Marketing expenses	884	1,084
Net foreign exchange losses	13,208	9,209
Office and factories expenses	12,337	6,790
Postage, telephone and fax	2,147	2,197
Professional service fees	6,285	6,495
Repairs and maintenance	3,307	5,021
Storage	362	460
Transportation and travelling expenses	9,111	9,354
Tax and surcharges	9,225	5,328
Others (Note)	17,943	16,877
	106,518	99,908

Note: Others included research and development expenses, motor vehicle expenses, fuel costs, miscellaneous expenses etc.

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10. OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Provision for obsolescence of inventories	1,404	771
Net fair value losses on derivative financial instruments	1,103	115

11. FINANCE COSTS, NET

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Interest income on:		
–bank deposits	2,365	2,819
–others	–	2
	2,365	2,821
Interest expense on:		
–bank borrowings	(12,840)	(12,939)
–lease liabilities	(1,430)	(1,732)
	(14,270)	(14,671)
Finance costs, net	(11,905)	(11,850)

12. INCOME TAX EXPENSE

Hong Kong profits tax has not been provided for at 16.5% on the estimated assessable profit for the period as the Group has sufficient tax losses carried forward to set off against the estimated assessable profit (2025: same). The subsidiaries established in the PRC are subject to corporate income tax rate of 25% (2025: 25%). The subsidiaries in Taiwan are subject to corporate income tax rate of 20% (2025: 20%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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12. INCOME TAX EXPENSE (CONTINUED)

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	–	–
– PRC corporate income tax	12,424	5,208
– Taiwan corporate income tax	5,402	7,082
– Other jurisdictions	4,357	780
	22,183	13,070
Over provision in prior years		
– Hong Kong	–	(3)
	–	(3)
Deferred income tax	–	–
Withholding tax on dividends declared by subsidiaries	6,254	3,072
	28,437	16,139

13. 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 period.

	Six months ended 30 June	
	2026	2025
Loss attributable to owners of the Company (Hong Kong thousands dollar)	(2,340)	(11,042)
Weighted average number of ordinary shares in issue (thousands)	729,898	729,898
Basic loss per share (Hong Kong cents per share)	(0.32)	(1.51)

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13. LOSS PER SHARE (CONTINUED)

(b) Diluted

Diluted loss per share was the same as the basic loss per share for the period ended 30 June 2026, 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 (2025: same).

14. PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2026, the Group acquired property, plant and equipment of HK\$2,671,000 (Period ended 30 June 2025: HK\$4,119,000).

During the period ended 30 June 2026, the Group disposed property, plant and equipment with a carrying amount of HK\$1,082,000 (Period ended 30 June 2025: HK\$207,000).

15. LEASES

During the period ended 30 June 2026, the Group entered into new lease agreements for buildings for 2 to 4 years. The Group makes fixed payments during the contract period. On lease commencement, the Group recognised an addition of right-of-use assets amounting to HK\$9,355,000 (Period ended 30 June 2025: HK\$1,200,000).

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Financial assets at fair value through other comprehensive income (FVOCI) include the following:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 June 2026				
Investments in listed equity securities	149,173	–	–	149,173
Investments in unlisted equity securities	–	–	64,508	64,508
	149,173	–	64,508	213,681
At 31 December 2025				
Investments in unlisted equity securities	–	–	55,771	55,771

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16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(a) **Financial assets at fair value through other comprehensive income include the following: (Continued)**

The financial assets at FVOCI are denominated in the following currencies:

	Level 1 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 June 2026			
Investments in listed equity securities in Taiwan denominated in New Taiwan dollars ("NTD")	149,173	–	149,173
Investments in unlisted equity securities as investments in a private entity incorporated in Taiwan denominated in NTD	–	508	508
Investments in unlisted equity securities as investments in a private entity incorporated in Hong Kong denominated in HK\$	–	64,000	64,000
	149,173	64,508	213,681
At 31 December 2025			
Investments in unlisted equity securities as investments in private entities incorporated in Taiwan denominated in NTD	–	8,771	8,771
Investments in unlisted equity securities as investments in a private entity incorporated in Hong Kong denominated in HK\$	–	47,000	47,000
	–	55,771	55,771

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16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Movement of financial assets at fair value through other comprehensive income is analysed as follows:

During the period ended 30 June 2026, there was no transfers between level 1 and level 2 for recurring fair value measurements (2025: same). For transfer out of level 3 measurements see the table below:

	Unlisted equity securities under level 3 denominated in NTD HK\$'000	Unlisted equity securities under level 3 denominated in HK\$ HK\$'000	Total HK\$'000
Opening balance at 1 January 2025	4,665	66,000	70,665
Fair value gains/(losses) on financial assets at fair value through other comprehensive income	597	(35,000)	(34,403)
Exchange gains	615	–	615
Closing balance at 30 June 2025	5,877	31,000	36,877
Opening balance at 1 January 2026	8,771	47,000	55,771
Transfer out of level 3 (Note)	(8,261)	–	(8,261)
Fair value gains on financial assets at fair value through other comprehensive income	–	17,000	17,000
Exchange losses	(2)	–	(2)
Closing balance at 30 June 2026	508	64,000	64,508

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Movement of financial assets at fair value through other comprehensive income is analysed as follows: (Continued)

Note

Transfers between level 1 and level 3 and changes in valuation techniques

Transfers from level 3 to level 1 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating quoted market prices from an active market.

The Group held an unlisted investment in equity securities with fair values totaled HK\$8,261,000 as at the date of transfer (2025: no transfer out of level 3). The fair value of this investment was categorised at level 3 up to the date of transfer (for information on the valuation technique, see Note 5(b)). This was because the equity securities were not listed on any stock exchange markets and there were no recent observable arm's length transactions in the shares.

During the period ended 30 June 2026, that unlisted investment in equity securities has been listed on a stock exchange market and they are currently actively traded. Because the equity securities now have published price quotations in an active market, the fair value measurement was transferred from level 3 to level 1 of the fair value hierarchy at the date of transfer (2025: no transfer out of level 3).

Since the transfer, investments in listed equity securities have been valued using valuation models incorporating quoted market prices from an active market (level 1). This change in fair value measurement resulted in fair value gains of HK\$142,597,000 recognised as fair value gains on equity investments at fair value through other comprehensive income, net of tax in the other comprehensive income for the period ended 30 June 2026 (2025: no transfer out of level 3).

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16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Movement of financial assets at fair value through other comprehensive income is analysed as follows: (Continued)

Note (Continued)

Cumulative gains or losses on disposal

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income, these changes are accumulated within the FVOCI reserve in equity. The Group transfers amounts from this reserve to retained earnings when the underlying investment is derecognised.

During the period ended 30 June 2026, the Group derecognised FVOCI equity instruments, HK\$738,000 cumulative net gains were transferred from FVOCI reserve to retained earnings (2025: HK\$ nil).

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(c) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	Fair value at 30 June 2026 HK\$'000	Note	Valuation techniques	Significant unobservable inputs*	Range of inputs	Relationship of significant unobservable inputs to fair value
Unlisted equity securities denominated in HK\$	64,000	1	Market approach	Enterprise multiples	8.12	A change in the enterprise multiples by +10% would increase the fair value by HK\$10,600,000 A change in the enterprise multiples by -10% would decrease the fair value by HK\$11,300,000
				Discount for lack of marketability	15.7%	A change in the discount for lack of marketability by +1,000 basis points would decrease the fair value by HK\$6,700,000 A change in the discount for lack of marketability by -1,000 basis points would increase the fair value by HK\$6,000,000
Unlisted equity securities denominated in NTD	508		Market approach	Discount for lack of marketability	30% to 80%	A change in the discount for lack of marketability by +/- 1,000 basis points would decrease/increase the fair value by HK\$251,000
	<u>64,508</u>					

Note 1: Enterprise multiples = enterprise value/earnings before interest, tax, depreciation and amortisation

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(d) **Valuation process used for fair value measurements categorised within level 3 of the fair value hierarchy**

The Group engages external, independent and qualified valuers to determine the fair value of the Group's unlisted equity securities at least once every six months. As at 30 June 2026, the fair values of the unlisted equity securities have been determined by Ravia Global Appraisal Advisory Limited mainly. The fair values of the unlisted equity securities are determined using market-based approach by reference to recent market price of comparable equity securities using market data which is publicly available.

17. DIVIDENDS

The Board of Directors resolved not to recommend any interim dividend for the six months ended 30 June 2026 (2025: HK\$ nil).

18. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are accounts and bills receivables of HK\$981,230,000 (At 31 December 2025: HK\$1,041,947,000).

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Accounts and bills receivables	995,719	1,056,281
Less: loss allowance	(14,489)	(14,334)
Other receivables	981,230 32,343	1,041,947 50,644
Total trade and other receivables	1,013,573	1,092,591

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.

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing analysis of accounts and bills receivables based on invoices dates net of loss allowance at the end of reporting period is as follows:

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
0 to 30 days	282,792	340,066
31 to 60 days	202,833	234,113
61 to 90 days	195,647	158,035
Over 90 days	299,958	309,733
	981,230	1,041,947

The closing loss allowances for trade receivables as at 30 June 2026 reconcile to the opening loss allowances as follows:

	Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
At 1 January	14,334	25,899
Provision for impairment losses	155	228
Receivables written off	–	(9,078)
At 30 June	14,489	17,049

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19. TRADE AND OTHER PAYABLES

Included in trade and other payables are accounts and bills payables of HK\$660,300,000 (At 31 December 2025: HK\$602,101,000).

The following is an ageing analysis of accounts and bills payables based on goods receipt dates at the end of reporting period:

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
0 to 30 days	363,831	291,121
31 to 60 days	128,699	136,071
61 to 90 days	77,454	62,955
Over 90 days	90,316	111,954
	660,300	602,101

20. CONTRACT LIABILITIES

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Contract liabilities relating to sales of goods and provision of service	200,334	80,642

The revenue recognised in the current reporting period relates to carried-forward contract liabilities at the beginning of the period amounted to HK\$54,832,000 (Period ended 30 June 2025: HK\$59,695,000).

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21. SHARE CAPITAL

	2026 Number of shares	Nominal value HK\$'000	2025 Number of shares	Nominal value HK\$'000
Ordinary shares of HK\$0.10 each				
Authorised:				
At 1 January and 30 June	1,000,000,000	100,000	1,000,000,000	100,000
		Number of ordinary shares of HK\$0.10 each		Share capital HK\$'000
Issued and fully paid:				
At 31 December 2025, 1 January 2026 and 30 June 2026		729,897,964		72,990

22. SHARE OPTION SCHEMES

(a) 2016 Share Option Scheme

The Company's share option scheme was adopted pursuant to a resolution passed on 22 June 2016 for the primary purpose of providing incentives to directors and eligible employees and expired on 21 June 2026 (the "2016 Share Option Scheme") and no further options can be granted thereunder.

Under the 2016 Share Option Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

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22. SHARE OPTION SCHEMES (CONTINUED)

(a) 2016 Share Option Scheme (Continued)

As at 30 June 2026, a total of 29,250,000 options granted under the 2016 Share Option Scheme were outstanding and such options may continue to be exercisable in accordance with their terms of issue after the expiry of the 2016 Share Option Scheme. The total number of shares in respect of which options may be granted under the 2016 Share Option Scheme is not permitted to exceed 10% of the total number of shares in issue as at the date of adoption of the 2016 Share Option Scheme, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in the 12-month period up to and including the date of such new grant is not permitted to exceed 1% of the shares of the Company in issue as at the date of such new grant, without prior approval from the Company's shareholders. Any grant of options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive directors (excluding any independent non-executive director who is a grantee of the relevant options). Options granted to substantial shareholders or independent non-executive directors or any of their respective associates in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5,000,000, in any 12-month period, must be approved by the Company's shareholders at a general meeting.

Options may be exercised after one year from the grant date but must be remained in employment with the Group, and options will vest (i) as to 25% (rounded down to the nearest whole underlying share) on the first anniversary of its date of grant, and (ii) as to the remainder on the second anniversary of its grant date. The exercise price is determined by the Board of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average of the closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

22. SHARE OPTION SCHEMES (CONTINUED)

(a) 2016 Share Option Scheme (Continued)

Set out below are summaries of options granted under the 2016 Share Option Scheme:

	Exercise price HK\$	Number of share options
As at 1 January 2025	0.906	44,450,000
Lapse		(8,350,000)
As at 31 December 2025 and 1 January 2026		36,100,000
Lapse		(6,850,000)
As at 30 June 2026		29,250,000
Vested and exercisable	0.906	29,250,000

The share options can be exercisable up to a maximum of 25% of the grant during the period from 14 June 2020 to 13 June 2021 and the remainder of grant during the period from 14 June 2021 to 13 June 2029.

No options expired during the periods covered by the above table.

The closing price of the Company's shares on 14 June 2019, the date of grant, was HK\$0.88. The fair value of the options determined at the date of grant using the Black-Scholes option-pricing model was approximately HK\$7,379,000. No share-based payment expense was charged to the condensed consolidated income statement for the six months ended 30 June 2026 (2025: HK\$ nil).

The following assumptions were used to calculate the fair value of the share options granted:

Grant date fair value per share	HK\$0.10
Expected life	6 years
Expected volatility	31.93%
Dividend yield	7.39%
Risk-free interest rate	1.44%

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22. SHARE OPTION SCHEMES (CONTINUED)

(a) 2016 Share Option Scheme (Continued)

Expected volatility is estimated taking into account historical average share price volatility. The Black-Scholes option-pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

(b) 2026 New Share Option Scheme

At the special general meeting held on 29 June 2026, a new share option scheme (the "2026 New Share Option Scheme") was conditionally adopted by shareholders of the Company.

23. BANK BORROWINGS

	HK\$'000
Six months ended 30 June 2025:	
Opening amount at 1 January 2025	567,920
Proceeds from new bank borrowings	1,587,409
Repayment of bank borrowings	(1,474,226)
Closing amount at 30 June 2025	681,103
Six months ended 30 June 2026:	
Opening amount at 1 January 2026	608,828
Proceeds from new bank borrowings	1,032,280
Repayment of bank borrowings	(1,045,034)
Closing amount at 30 June 2026	596,074

24. COMMITMENTS

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Capital expenditure contracted for but not yet incurred: Acquisition of property, plant and equipment	142	615

In addition, the Group has no lease contract that have not commenced as at 30 June 2026. (2025: The Group has a lease contract of 3 years that have not yet commenced as at 31 December 2025. The future lease payments for this non-cancellable lease contract are HK\$2,839,000 within one year, HK\$5,822,000 within the remaining years).

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. The assessment is ongoing, and further information will be released as and when appropriate. 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.

As of 30 June 2026, the Group had HK\$69.6 million contingent liabilities. These consists of letter of credit and other commitments to borrow from banks (31 December 2025: no significant contingent liabilities).

25. RELATED PARTY TRANSACTIONS

Related parties refer to entities in which the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or directors or officers of the Company and its subsidiaries.

The Group is ultimately controlled by Mr. Wong Senta, Chairman of the Board of Directors. Mr. Wong Senta was appointed as Honorary Chairman and re-designated as non-executive Director of the Company on 3 August 2026.

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25. RELATED PARTY TRANSACTIONS (CONTINUED)

- (a) During the period, the Group entered the following transactions with its related parties:

	For the six months ended 30 June		Amount due from related parties	
	2026 HK\$'000	2025 HK\$'000	30 June 2026 HK\$'000	31 December 2025 HK\$'000
Ticketing and Touring income (Notes i and iv)	48	38	-	27
Service fee income (Notes ii and iv)	168	147	-	-
Rental expense (Notes iii and iv)	-	249	-	-

Notes:

- (i) Related parties were Mr. Wong Senta, Ms. Wong Ava and Ms Wong Orangeo Wendy (2025: Mr. Wong Senta, Ms. Wong Orangeo Wendy and a company of which a close family member of Ms. Wong Orangeo Wendy is a director having control or significant influence over this company).
- (ii) Related party is Wesi Technology Limited, a joint venture of the Group (2025: same).
- (iii) 2025: Related party was a company of which Mr. Wong Senta is a director having control or significant influence over this company.
- (iv) All the transactions were carried out in the normal course of the Group's business and the terms as agreed between the transacting parties (2025: same).

- (b) **Key management remuneration**

The remuneration of key management during the period was as follows:

	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Salaries, wages, commission and allowances	16,067	18,834
Post-employment benefits	180	579
	16,247	19,413

MANAGEMENT DISCUSSION AND ANALYSIS

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

MARKET OVERVIEW

The macroeconomic environment in the first half of 2026 remained complex and uneven, shaped by continuing geopolitical uncertainty, trade policy adjustments, persistent cost pressures and volatility in energy and commodity markets. Although global activity showed signs of resilience, inflationary pressures and shifting interest rate expectations continued to affect business confidence, customer demand and supply chain planning. Against this backdrop, the Group maintained a disciplined and pragmatic approach, focusing on operational efficiency, prudent cost control, customer alignment and supply chain resilience. These measures supported the Group's ability to navigate market uncertainty and position itself for stable development during the period.

BUSINESS REVIEW

The Group's revenue for the first half of 2026 was HK\$1.69 billion, reflecting a decrease of approximately 7.2% compared to the corresponding period last year. The Group's loss attributable to owners of the Company for the period was HK\$2.3 million, representing a substantial narrowing of 78.8% as compared to the loss attributable to owners of the Company of HK\$11.0 million for the corresponding period last year.

This substantial improvement was primarily driven by the stable development of the Trading and Distribution Division, improvement in profitability and strategic response amid the complex and uneven economic conditions within the OEM Manufacturing Division.

MANAGEMENT DISCUSSION AND ANALYSIS

Trading and Distribution Division

The Trading and Distribution Division recorded an operating profit of HK\$78.5 million in the first half of 2026, representing an increase of approximately 13.7% compared to the corresponding period last year despite a decrease of approximately 16.8% in revenue from HK\$0.93 billion in the first half of 2025 to HK\$0.77 billion in the first half of 2026. This positive performance was primarily driven by increased demand for products distributed by the Trading and Distribution Division's subsidiaries in the PRC and South-East Asia, particularly equipment engineered for multilayer printed circuit board (PCB) fabrication.

Consistent with the key demand drivers observed in 2025, customer capital expenditure in the PCB manufacturing and semiconductor sectors remained robust during the first half of 2026, primarily underpinned by investment requirements stemming from artificial intelligence-related demand. The resulting growth in higher-margin product sales more than offset the decrease in revenue from one of the Trading and Distribution Division's subsidiaries in Taiwan, where customer procurement activities moderated following elevated capital investment levels in 2025. This performance demonstrated the Trading and Distribution Division's ability to sustain stable development and reinforce its market competitiveness.

OEM Manufacturing Division

The OEM Manufacturing Division recorded an increase in revenue by 4.3% to HK\$0.91 billion in the first half of 2026 compared to the corresponding period last year, primarily driven by increased deliveries from its Dongguan manufacturing facility resulting from a major OEM customer expanding inventory levels in anticipation of future market demand.

As a result, the OEM Manufacturing Division further narrowed its operating loss by approximately 28.4% to HK\$41.8 million for the first half of 2026 compared with the corresponding period in 2025. This improvement was primarily attributable to a strategic optimization of the product mix towards higher-margin delivery orders, together with ongoing initiatives to enhance operational efficiency, strengthen productivity and improve cost management. These measures have enabled the OEM Manufacturing Division to improve profitability and bolster business resilience amid evolving economic conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

DNP Voluntary Liquidation: Completion

As announced on 2 January 2026 and 26 March 2026, the Group initiated the voluntary liquidation of Dongguan Nissin Plastic Products Co., Ltd. ("DNP"), an indirectly wholly-owned subsidiary of the Company. The liquidation was completed in June 2026.

FINANCIAL REVIEW

Revenue

The Group recorded a revenue of HK\$1.69 billion in the first half of 2026, a decrease of 7.2% compared to the corresponding period of 2025. Trading and Distribution Division delivered a decrease in revenue of 16.8%, while OEM Manufacturing Division revenue was slightly increased by 4.3%.

Employee benefit expenses and other expenses

Employee benefit expenses for the first half of 2026 were reduced by 0.7% to HK\$278.4 million.

Other expenses for the first half of 2026 were increased by 6.6% to HK\$106.5 million. (Please refer to Note 9 to the interim condensed consolidated financial statements.)

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 first half of 2026.

Finance costs, net

Finance costs, net for the first half of 2026 were slightly increased by 0.5% to HK\$11.9 million primarily due to the Group maintaining a similar level of financing activities during the first half of 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

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 the first half of 2026 amounted to HK\$28.4 million, representing an increase of 76.2% from HK\$16.1 million in the corresponding period in 2025. 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\$796.6 million, increased from HK\$651.2 million as of 31 December 2025. Trade receivables amounted to HK\$981.2 million, decreased from HK\$1,041.9 million as of 31 December 2025. Trade payables amounted to HK\$660.3 million, increased from HK\$602.1 million as of 31 December 2025. These fluctuations 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\$732.7 million, increased from HK\$614.3 million as of 31 December 2025, which comprised cash and cash equivalents of HK\$646.6 million (31 December 2025: HK\$534 million) and short-term bank deposits of HK\$86.1 million (31 December 2025: HK\$80.3 million), with net cash at HK\$79.1 million compared to net debt HK\$50.4 million as of 31 December 2025. These figures demonstrate effective cash flow management and a stable liquidity position.

Financial assets at fair value through other comprehensive income

The increase in financial assets at fair value through other comprehensive income from HK\$55.8 million as of 31 December 2025 to HK\$213.7 million as of 30 June 2026 was primarily attributable to the change in fair value measurement of an equity investment following its transition to a listed entity, resulted in fair value gains of HK\$142.6 million recognised as fair value gains on equity investments at fair value through other comprehensive income, net of tax in the other comprehensive income for the period ended 30 June 2026.

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

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group has committed bank and other financing facilities totaling HK\$2,596.8 million, of which HK\$668 million was drawn down on 30 June 2026.

As of 30 June 2026, total interest-bearing bank borrowings were HK\$596.1 million (31 December 2025: HK\$608.8 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 30 June 2026, the Group's consolidated net cash amounted to HK\$79.1 million and its total equity amounted to HK\$1,610.3 million, resulting in a nil gearing ratio. 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 30 June 2026 (31 December 2025: HK\$4.1 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 period ended 30 June 2026, the Group incurred total capital expenditure of approximately HK\$2.7 million (Period ended 30 June 2025: HK\$4.1 million) for additions to property, plant and equipment.

As of 30 June 2026, the Group had HK\$0.1 million capital commitments contracted but not provided for (31 December 2025: HK\$0.6 million).

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. The assessment is ongoing, and further information will be released as and when appropriate. 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 30 June 2026, the Group had HK\$69.6 million contingent liabilities. These consists of letter of credit and other commitments to borrow from banks (31 December 2025: no significant contingent liabilities).

HUMAN RESOURCES

As of 30 June 2026, the Group had a total of 3,122 employees, of whom 153 were based in Hong Kong, 2,377 in the PRC and 592 overseas. Employee benefit expenses for the period ended 30 June 2026 amounted to HK\$278.4 million (Period ended 30 June 2025: HK\$280.4 million). The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account current industry practices. Provident fund scheme, medical allowances, and in-house and external training programs are available to employees. Share options and discretionary bonuses may be provided to employees according to the performance of the individual and the Group. The remuneration policy and package of the Group's employees are regularly reviewed.

MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIES OUTLOOK AND PROSPECTS

During the first half of 2026, the Group monitored the outcomes of the strategic initiatives implemented in 2025, with encouraging progress in operational efficiency and resource optimization. Looking ahead, the Group remains positioned for resilience despite ongoing geopolitical, macroeconomic uncertainties, shifting trade policies and a pressured supply chain. Building on the stable development achieved in the first half of 2026, the Group will continue to strengthen customer engagement, enhance operational efficiency and leverage its integrated local-global market approach during the second half of 2026.

The Trading and Distribution Division will continue to focus on capturing opportunities arising from technological developments and market expansion. Demand for products distributed by the Trading and Distribution Division is expected to remain largely stable throughout the second half of 2026, based on current business inquiries and planned dispatch timelines associated with customer orders driven.

The OEM Manufacturing Division anticipates steady performance in the second half of 2026, supported by a robust pipeline of consumer orders and reliable dispatch forecasts. The OEM Manufacturing Division remains firmly committed to operational resilience, cost discipline, and pricing rigor, with the overarching objective of narrowing its full year operating loss in 2026 compared to 2025.

The Group remains committed to sustainable growth and long-term value creation.

MANAGEMENT DISCUSSION AND ANALYSIS

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board of Directors resolved not to recommend any interim dividend for the six months ended 30 June 2026 (2025: HK\$ nil).

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control systems and financial reporting matters including a review of the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026.

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

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

Hong Kong, 24 August 2026

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT EVENT AFTER BOARD APPROVAL DATE

On 25 August 2026 (after trading hours), a direct non-wholly owned subsidiary of the Company, Taiwan Kong King Co., Ltd. (the “Purchaser”) entered into a sale and purchase agreement with the sellers, pursuant to which, the Purchaser has agreed to purchase, and the sellers have agreed to sell, the land at a consideration payable under the terms of the sale and purchase agreement of NTD360,000,000 (equivalent to approximately HK\$90,000,000). For details, please refer to the announcement dated 25 August 2026 issued by the Company.

DISCLOSURE OF INTERESTS

INTERESTS OF DIRECTORS

As at 30 June 2026, the interests or short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issues (“Model Code”) were as follows:

Long positions in the shares of the Company

Name	Personal Interests	Corporate Interests	Other Interests	Total Interests	Total Interests as % of the issued share capital %	Share Options	Total Interests (including underlying shares) as % of the share capital %
Wong Senta	9,120,000	122,012,723 (Note 1)	207,800,000 (Note 2)	338,932,723	46.44	5,000,000	47.12
Wong Ava	154,000	32,454,028 (Note 3)	207,800,000 (Note 4)	240,408,028	32.94	150,000	32.96
Wong Orangeo Wendy	376,000	32,454,028 (Note 5)	207,800,000 (Note 6)	240,630,028	32.97	150,000	32.99
Tse Wan Chung Philip	-	-	-	-	-	3,000,000	0.41
Leung Kam Fong	-	-	180,000 (Note 7)	180,000	0.02	3,000,000	0.44
Yip Wai Chun	-	-	-	-	-	3,000,000	0.41
Lam Yiu Wing Andrew	-	-	-	-	-	3,000,000	0.41

DISCLOSURE OF INTERESTS

Notes:

1. 122,012,723 shares were registered in the name of Wonder Luck International Limited, which was wholly owned by Senta Wong (BVI) Limited. The entire issued share capital of which was approximately 50.25% owned by Mr. Wong Senta and approximately 49.75% owned by his late wife, Mrs. Wong Wu Lai Ming, Lily. The references to 122,012,723 shares deemed to be interested by Mr. Wong Senta (as disclosed herein) and Senta Wong (BVI) Limited (as disclosed in the section headed "INTERESTS OF SUBSTANTIAL SHAREHOLDERS") relate to the same block of shares.
2. 207,800,000 shares were registered in the name of Rewarding Limited, which was wholly owned by Greatfamily Inc. (which was in turn wholly owned by Greatguy (PTC) Inc.) for a discretionary trust, of which Mr. Wong Senta was regarded as the founder (by virtue of the SFO). The references to 207,800,000 shares deemed to be interested by Mr. Wong Senta (as disclosed herein), Ms. Wong Ava and Ms. Wong Orangeo Wendy (as disclosed in Notes 4 and 6 below respectively), Greatfamily Inc. and Greatguy (PTC) Inc. (as disclosed in the section headed "INTERESTS OF SUBSTANTIAL SHAREHOLDERS") relate to the same block of shares.
3. 32,454,028 shares were held by Max Return Group Limited, of which Ms. Wong Ava owns approximately 66.67% shares. The references to these 32,454,028 shares deemed to be interested by Ms. Wong Ava (as disclosed herein) and Ms. Wong Orangeo Wendy (as disclosed in Note 5 below) relate to the same block of shares.
4. Ms. Wong Ava was deemed (by virtue of the SFO) to be interested in 207,800,000 shares in the Company by virtue of her being a discretionary beneficiary of a discretionary trust.
5. 32,454,028 shares were held by Max Return Group Limited, of which Ms. Wong Orangeo Wendy owns approximately 33.33% shares.
6. Ms. Wong Orangeo Wendy was deemed (by virtue of the SFO) to be interested in 207,800,000 shares in the Company by virtue of her being a discretionary beneficiary of discretionary trust.
7. These 180,000 shares were jointly held by Dr. Leung Kam Fong and his spouse.
8. Mr. Chang Jui Shum Victor ceased directorship on 21 March 2026.

DISCLOSURE OF INTERESTS

Certain Directors held qualifying shares in certain subsidiaries of the Group on trust for the Company or other subsidiaries of the Group.

Save as disclosed herein, as at 30 June 2026, none of the directors or chief executives of the Company or his/her respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

The Company has been notified that, as at 30 June 2026, the following persons (other than directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in the shares of the Company

Name of substantial shareholders	Capacity	Number of shares held	Percentage of total issued shares
Greatfamily Inc.	Interest of controlled corporation (Note 1)	207,800,000	28.47%
Greatguy (PTC) Inc.	Trustee (Note 1)	207,800,000	28.47%
Senta Wong (BVI) Limited	Interest of controlled corporation (Note 2)	122,012,723	16.72%
Cantrust (Far East) Limited	Trustee (Note 3)	51,003,881	6.99%
Wong Chung Yin	Beneficial owner, interest of child or spouse and interest of controlled corporations (Note 4)	42,715,701	5.85%

DISCLOSURE OF INTERESTS

Notes:

1. Please see Note 2 under the section headed “INTERESTS OF DIRECTORS”.
2. Please see Note 1 under the section headed “INTERESTS OF DIRECTORS”.
3. Cantrust (Far East) Limited (“Cantrust”) is the trustee of Coreview Trust and C Y Wong Trust. Cantrust through its direct and indirect ownerships in each of WLJ Holding Limited (“WLJ”), Kong King International Limited (“KKIL”), New Chung Yan Limited (“NCYL”), Aldalyn Limited (“AL”) and Blueford Limited (“BL”) holds a total of 51,003,881 shares in the Company. These shares were held in the following capacity:
 - (a) 24,813,332 shares were held by KKIL under a discretionary trust, of which Cantrust was the trustee. KKIL was wholly-owned by WLJ, which was in turn wholly-owned by Cantrust. Each of Cantrust, WLJ and KKIL was deemed to be interested in the same block of 24,813,332 shares of the Company.
 - (b) 13,095,274 shares and 13,095,275 shares were held by AL and BL respectively under a discretionary trust, of which Cantrust was the trustee. AL and BL were wholly-owned by NCYL, which was in turn wholly-owned by Cantrust. Each of Cantrust, NCYL, AL and BL was deemed to be interested in the same block of 26,190,549 shares in the Company.
4. Mr. Wong Chung Yin was deemed (by virtue of the SFO) to be interested in 42,715,701 shares in the Company. These shares were held in the following capacity:
 - (a) 25,613,332 shares were held by Mr. Wong Chung Yin personally.
 - (b) 450 shares were held under the name of Ms. Woo Sin Ming, the wife of Mr. Wong Chung Yin.
 - (c) 17,101,919 shares were jointly held by Mr. Wong Chung Yin and his wife, Ms. Woo Sin Ming.

Save as disclosed, the directors are not aware of any other persons who, as at 30 June 2026, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

SHARE OPTION SCHEMES

A share option scheme (the “2016 Share Option Scheme”) adopted by ordinary resolution of the shareholders at the general meeting of the Company held on 22 June 2016 expired on 21 June 2026 and no further options can be granted thereunder.

At the special general meeting held on 29 June 2026, a new share option scheme was conditionally adopted by shareholders of the Company.

Particulars of the options granted under the 2016 Share Option Scheme and their movements during the six months ended 30 June 2026 were as follows:-

Grantee	Date of grant	Exercise price (HK\$)	Exercise period	Number of share options					
				Balance as at 01.01.2026	Transfer to other category during the period	Transfer from other category during the period	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period
Category 1:									
(I) Directors									
Wong Senta	14.06.2019	0.906	14.06.2020-13.06.2029	5,000,000	-	-	-	-	5,000,000
Wong Ava	14.06.2019	0.906	14.06.2020-13.06.2029	150,000	-	-	-	-	150,000
Wong Orangeo Wendy	14.06.2019	0.906	14.06.2020-13.06.2029	150,000	-	-	-	-	150,000
Chang Jui Shum Victor	14.06.2019	0.906	14.06.2020-13.06.2029	3,000,000	-	-	-	-	(3,000,000)
Tse Wan Chung Philip	14.06.2019	0.906	14.06.2020-13.06.2029	3,000,000	-	-	-	-	3,000,000
Leung Kam Fong	14.06.2019	0.906	14.06.2020-13.06.2029	3,000,000	-	-	-	-	3,000,000
Yip Wai Chun	14.06.2019	0.906	14.06.2020-13.06.2029	3,000,000	-	-	-	-	3,000,000
Lam Yiu Wing Andrew	14.06.2019	0.906	14.06.2020-13.06.2029	3,000,000	-	-	-	-	3,000,000
Total for directors				20,300,000	-	-	-	-	(3,000,000)
Category 2:									
(II) Other employees									
	14.06.2019	0.906	14.06.2020-13.06.2029	15,800,000	-	-	-	-	(3,850,000)
Total				36,100,000	-	-	-	-	(6,850,000)

SHARE OPTION SCHEMES

Notes:

- The share options can be exercised at any time during the period from 14 June 2020 to 13 June 2029 (both dates inclusive), provided that up to a maximum of 25% of the share options can be exercised during the period commencing from 14 June 2020 to 13 June 2021 and the balance of the share options not then exercised shall be exercisable during the period commencing from 14 June 2021 to 13 June 2029.*
- The closing price of the shares of the Company immediately before the date on which the share options were granted was HK\$0.93.*
- 71,650,000 share options were granted on 14 June 2019 and subsequently, 70,450,000 share options were accepted by the Grantees.*
- As at 30 June 2026, a total of 29,250,000 options granted under the 2016 Share Option Scheme were outstanding and such options may continue to be exercisable in accordance with their terms of issue after the expiry of the 2016 Share Option Scheme. Upon expiration of the 2016 Share Option Scheme, no further options can be granted thereunder.*
- The weighted average over the financial year of all shares that may be issued in respect of options granted under the 2016 Share Option Scheme divided by the weighted average number of shares in issue for the Period was 0.046.*

Save as disclosed above, there were no outstanding share options under the 2016 Share Option Scheme during the six months ended 30 June 2026.

The fair value of the options determined at the date of grant using the Black-Scholes option-pricing model was approximately HK\$7,379,000. No share-based payment expense was charged to the interim condensed consolidated income statement for the six months ended 30 June 2026.

The following assumptions were used to calculate the fair value of the share options granted:

Grant date fair value per share	HK\$0.10
Expected life	6 years
Expected volatility	31.93%
Dividend yield	7.39%
Risk-free interest rate	1.44%

Expected volatility is estimated taking into account historical average share price volatility. The Black-Scholes option-pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

CORPORATE GOVERNANCE

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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 Hong Kong Stock Exchange (the “Listing Rules”) during the six months ended 30 June 2026, with deviations 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 for the Executive Chairman or Managing or Joint Managing Director) of the Company are subject to retirement by rotations 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 to the successful implementation of any long-term business plans, the Board believes that the present arrangement is most beneficial to the Company and its shareholders as a whole.

On 3 August 2026, upon Mr. Wong Senta was appointed as Honorary Chairman and re-designated as non-executive director, since then his directorship is subject to retirement by rotation in accordance with the Bye-Laws of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by directors on no less exacting than the terms and required standard contained in the Model Code. Having made specific enquiry of all the directors, the Company had 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 six months ended 30 June 2026.

UPDATES ON DIRECTORS’ INFORMATION

Pursuant Rule 13.51B(1) of the Listing Rules, the changes in information of the directors since the date of the Company’s last annual report and up to the date of this report are set out below:

- (1) Mr. Wong Senta was appointed as Honorary Chairman and re-designated as non-executive Director of the Company on 3 August 2026; and
- (2) Mr. Chang Jui Shum Victor ceased directorship in the Company on 21 March 2026.