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WONG'S KONG KING INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 532)

PROFIT WARNING

This announcement is made by Wong's Kong King International (Holdings) Limited (the "**Company**") and, together with its subsidiaries, collectively referred to as the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to inform its shareholders and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 ("**Interim Period**"), the Group expects to record a consolidated net loss attributable to the owners of the Company of approximately HK\$84 million for the Interim Period as compared to a net loss attributable to the owners of the Company of HK\$53.4 million for the corresponding period in 2023.

Based on the information currently available, this was mainly attributable to the following factors:

- (i) The Group's Trading Division recorded a significant reduction in turnover for the Interim Period compared to the corresponding period in 2023. This was mainly due to the customers of the Division's Taiwan subsidiary reducing orders to scale back their inventory and capital expenditure. In contrast, the Division's subsidiaries in the PRC performed better than expected over the Interim Period compared to the corresponding period last year as their customers increased orders. While, the under-performance in Taiwan outweighed the improved performance in the PRC, the Trading Division was able to generate a moderate operating profit for the Interim Period, albeit lower than in the corresponding period in 2023.
- (ii) The Group's Manufacturing Division incurred an increased operating loss for the Interim Period compared to the corresponding period in 2023 despite a slight increase in turnover for the Interim Period. This was due, first, to a change in the product mix. Secondly, the Manufacturing Division incurred continuing costs for the development of its Mexican manufacturing project. It is expected that a lot more Mexican manufacturing products will be ready to commence mass production in the second half of 2024.
- (iii) Overall, the Group has continued to be adversely affected by the global economic downturn. This was exacerbated by continued high interest rates which caused the Group's overall net financing costs to remain at a similar elevated level compared to the corresponding period in 2023.

The information contained in this announcement is only based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the Interim Period and the information currently available, which have neither been reviewed nor audited by the Company's auditors.

The Company is still in the process of preparing the interim consolidated results of the Group for the Interim Period and a formal announcement of the Company's results for the Interim Period will be published in due course.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Wong's Kong King International (Holdings) Limited
Ho Shu Chan Byron
Director

Hong Kong, 2 August 2024

As at the date of this announcement, the executive directors of the Company are Mr. Wong Senta, Mr. Tsui Ying Chun Edward, Mr. Ho Shu Chan Byron, Mr. Kwong Man Hang, Mr. Wong Vinci and Mr. Chang Jui Shum Victor; and the independent non-executive directors are Mr. Tse Wan Chung Philip, Dr. Leung Kam Fong, Dr. Yip Wai Chun, Mr. Tse Hin Lin Arnold and Mr. Lam Yiu Wing Andrew.