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PRECIOUS DRAGON TECHNOLOGY HOLDINGS LIMITED

保寶龍科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1861)

DISCLOSEABLE TRANSACTION IN RELATION TO CONSTRUCTION AGREEMENT FOR THE PRODUCTION PLANT IN GUANGZHOU

Financial Adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

THE CONSTRUCTION AGREEMENT

The Board is pleased to announce that on 7 January 2026 (after trading hours), Euro Asia Aerosol, a wholly-owned subsidiary of the Company, entered into the Construction Agreement with the Contractor in relation to the construction and renovation of the Production Plant. Pursuant to the Construction Agreement, the Contractor will, among other things, provide construction and renovation services for the Production Plant in relation to the construction of new production plant for the production of household, plastic and aerosols products and renovation for safety enhancement.

The total contract sums payable by Euro Asia Aerosol to the Contractor pursuant to the Construction Agreement is RMB34,800,000 (equivalent to approximately HK\$38.3 million).

LISTING RULES IMPLICATION

As the highest applicable percentage ratio under the Listing Rules in respect of the Construction Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Construction Agreement constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

On 7 January 2026 (after trading hours), Euro Asia Aerosol, a wholly-owned subsidiary of the Company, entered into the Construction Agreement with the Contractor in relation to the construction and renovation of the Production Plant. Pursuant to the Construction Agreement, the Contractor will, among other things, provide construction and renovation services for the Production Plant in relation to the construction of new production plant for the production of household, plastic and aerosols products and renovation for safety enhancement.

PRINCIPAL TERMS OF THE CONSTRUCTION AGREEMENT

Date : 7 January 2026

Parties : (i) Euro Asia Aerosol; and
(ii) Contractor

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Subject matter : Pursuant to the Construction Agreement, the Contractor will, among other things, provide construction and renovation services for the Production Plant in relation to the construction of new production plant for the production of household, plastic and aerosols products and renovation for safety enhancement. This includes the construction of cosmetic workshop, warehouses, facilities rooms, solid waste rooms, and the ancillary building amenities including drainage, electricity, fire safety and air ventilation system (collectively, the "**Contract Works**").

Consideration : RMB34,800,000 (equivalent to approximately HK\$38.3 million).

The total contract sums under the Construction Agreement was determined based on arm's length negotiation between the parties with reference to the proposed design and construction services for the Production Plant and the relevant experience of the Contractor.

The Group is expected to finance the above contract sums through its internal resources and bank borrowings.

Advance payment : An advance payment of RMB3,480,000 (equivalent to approximately HK\$3.8 million) (the “**Advance Payment**”), being 10% of the contract sums, shall be made to the Contractor within 7 days after entering into the Construction Agreement.

20% of the Advance Payment will be deducted from each of the monthly progress payment (as detailed in the section “Payment terms” below) until the full amount of the Advance Payment are deducted.

Payment terms : Euro Asia Aerosol shall pay to the Contractor on a monthly basis, starting from February 2026.

The Contractor shall submit an application for payment to the project manager (the “**PM**”) appointed by Euro Asia Aerosol on the 25th of each month. Payment will be made by Euro Asia Aerosol to the Contractor on or before the 15th of the following month.

The monthly progress payment shall be based on 85% of the actual value of work completed, and be deducted by (i) 20% of the Advance Payment until the full amount of the Advance Payment are deducted; and (ii) retention money which amounted to 3% of the total contract sums.

Upon completion, inspection and acceptance of the work, 97% of the total contract sums shall be payable to the Contractor.

Retention money : Retention money shall be RMB1,044,000 (equivalent to approximately HK\$1.1 million), being 3% of the total contract sums.

RMB696,000 (equivalent to approximately HK\$0.8 million), being 2% of the total contract sums, shall be released after the first anniversary of the certified completion date. The remaining balance of the retention money shall be released after the second anniversary of the certified completion date.

Completion : The Contract Works are expected to be completed by 29 July 2026.

Upon completion of the Contract Works, the Contractor shall confirm that the Contract Works are constructed in accordance with the Construction Agreement and inform the PM in writing for inspection of the Contract Work. If the Contract Works pass the inspection, the PM shall issue the certificate of final completion to the Contractor.

Maintenance period : The Contractors shall make good any defect of the Contract Works during the period of two years from the certified completion date.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT

The Production Plant is located at No. 628 Jufeng North Road, Aotou Town, Conghua District, Guangzhou City, Guangdong Province, the PRC, with a total gross floor area of approximately 26,816.95 square meters. This is the largest production plant of the Group located in PRC.

As disclosed in the interim report of the Company for the six months ended 30 June 2025, the Group recorded a significant increase in turnover for the six months ended 30 June 2025 as compared to the corresponding period in 2024, which was mainly driven by the steady recovery of the PRC economy and the successful execution of effective sales strategies for the Group's original brand manufacturing (OBM) products. Meanwhile, there are growing challenges on environmental requirements in the industry. The government of PRC has implemented regulations to ensure safety of aerosol products and reduce their environmental impact, while the consumers are shifting to more environmentally friendly alternatives.

As the Group is optimistic towards the domestic personal care products market and considers there is growth potentials, the Group intends to expand and improve its OBM business. The entering into of the Construction Agreement will enhance and upgrade the Production Plant, thereby enabling the Group to expand its production capacity, comply with the new environmental regulations, adapt to the evolving customer preference and improve the competitiveness of the Group's products.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Construction Agreement was entered into after arm's length negotiation and on normal commercial terms and the terms of the Construction Agreement are fair and reasonable so far as the shareholders of the Company are concerned and are in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Group is principally engaged in the design, development, manufacturing and sale of a wide range of automotive beauty and maintenance products, personal care products and other products including household products.

The Contractor is a limited company incorporated in the PRC principally engaged in construction.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio under the Listing Rules in respect of the Construction Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Construction Agreement constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the board of Directors
“Company”	Precious Dragon Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 4 May 2018, the shares of which are listed on the main board of the Stock Exchange (stock code: 1861)
“Construction Agreement”	the construction agreement dated 7 January 2026 entered into between Euro Asia Aerosol and the Contractor in relation to the construction and renovation of the Production Plant
“Contractor”	Guangzhou Zhonghao Construction Group Company Limited * (廣州中豪建工集團有限責任公司), a limited company incorporated in the PRC
“Director(s)”	the director(s) of the Company
“Euro Asia Aerosol”	Guangzhou Euro Asia Aerosol and Household Products Manufacture Co., Ltd. * (廣州歐亞氣霧劑與日化用品製造有限公司), a limited company incorporated in the PRC and a wholly-owned subsidiary of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Production Plant”	the production plant at No. 628 Jufeng North Road, Aotou Town, Conghua District, Guangzhou City, Guangdong Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the board of
Precious Dragon Technology Holdings Limited
Ko Sau Mee
Chairlady and Executive Director

Hong Kong, 7 January 2026

As at the date of this announcement, the executive Directors are Ms. Ko Sau Mee, Ms. Lin Hing Lei, Mr. Lin Hing Lung and Mr. Yang Xiaoye; and the independent non-executive Directors are Mr. Lee Yiu Pui, Mr. Poon Tak Ching and Mr. Pang Cheung Wai Thomas.

Amounts denominated in RMB in this announcement have been converted into HK\$ at the rate of RMB1 = HK\$1.1. This rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been converted at the above rate or any other rates.

** for identification purpose only*