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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)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

ANNUAL RESULTS

The board (the “Board”) of directors (the “Directors”) of Precious Dragon Technology Holdings Limited (the “Company”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 (the “Reporting Period”), together with the comparative figures for the year ended 31 December 2024.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	5	655,824	612,967
Cost of sales		<u>(370,123)</u>	<u>(385,719)</u>
Gross profit		<u>285,701</u>	<u>227,248</u>
Other income and gains	5	29,590	13,566
Selling and distribution expenses		(124,941)	(90,047)
Administrative expenses		(53,039)	(57,982)
Research and development expenses	6	(22,744)	(24,313)
Reversal of impairment losses/(impairment losses) on financial assets, net	6	310	(8,602)
Other expenses		(14,980)	(7,753)
Finance costs	7	<u>(1,277)</u>	<u>(1,862)</u>
PROFIT BEFORE TAX	6	98,620	50,255
Income tax expenses	8	<u>(39,801)</u>	<u>(16,186)</u>
PROFIT FOR THE YEAR		<u>58,819</u>	<u>34,069</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>5,794</u>	<u>(4,683)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>64,613</u>	<u>29,386</u>
Profit attributable to:			
Owners of the parent		58,819	34,069
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>58,819</u>	<u>34,069</u>
Total comprehensive income attributable to:			
Owners of the parent		64,594	29,371
Non-controlling interests		<u>19</u>	<u>15</u>
		<u>64,613</u>	<u>29,386</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	10	<u>HK 25.1 cents</u>	<u>HK 14.6 cents</u>
Diluted		<u>HK 25.1 cents</u>	<u>HK 14.6 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	173,338	206,350
Right-of-use assets		46,827	46,937
Deferred tax assets		5,622	5,723
Prepayments, deposits and other receivables		8,027	7,829
		233,814	266,839
Total non-current assets			
CURRENT ASSETS			
Inventories	11	38,143	36,839
Trade and bills receivables	12	64,518	46,791
Prepayments, other receivables and other assets		14,814	15,561
Pledged bank deposits		4,167	4,890
Cash and cash equivalents		169,061	105,610
		290,703	209,691
Total current assets			
CURRENT LIABILITIES			
Trade and bills payables	13	47,033	41,620
Other payables and accruals		53,031	61,086
Interest-bearing bank and other borrowings	15	10,964	10,160
Tax payable		23,331	125
Deferred income		221	216
		134,580	113,207
Total current liabilities			
NET CURRENT ASSETS		156,123	96,484
TOTAL ASSETS LESS CURRENT LIABILITIES		389,937	363,323
NON-CURRENT LIABILITIES			
Due to a related party		—	17,400
Interest-bearing bank and other borrowings	15	5,477	15,155
Deferred tax liabilities		6,627	4,640
Deferred income		443	648
		12,547	37,843
Total non-current liabilities			
Net assets		377,390	325,480

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
EQUITY			
Equity attributable to owners of the parent			
Share capital		2,339	2,339
Reserves		<u>375,460</u>	<u>323,569</u>
		377,799	325,908
Non-controlling interests		<u>(409)</u>	<u>(428)</u>
Total equity		<u>377,390</u>	<u>325,480</u>

NOTES:

1. CORPORATE AND GROUP INFORMATION

Precious Dragon Technology Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands (“Cayman”). The registered office address of the Company is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 21 June 2019 (the “Listing Date”).

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally involved in the content filling of aerosol cans, and the production and sale of ethanol, aerosol products and non-aerosol products.

In the opinion of the directors (the “Directors”), as at 31 December 2025, the immediate holding company and ultimate holding company of the Company is Wellmass International Limited (“Wellmass”), a company incorporated in the British Virgin Islands (the “BVI”).

Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Topspan Holdings Limited	BVI	US\$1	100	—	Investment holding
Botny Corporation Limited	Hong Kong	HK\$1,001	—	100	Trading of aerosol and non-aerosol products
Super Sight International Investment Limited	BVI	US\$1	—	100	Investment holding
Guangzhou Botny Chemical Co., Ltd. (“Botny Chemical”) (廣州保賜利化工有限公司)*	PRC/ Chinese mainland	US\$11,400,000	—	100	Content filling of aerosol cans, and production and sale of aerosol and non-aerosol products
Guangzhou Euro Asia Aerosol and Household Products Manufacture Co., Ltd. (“Euro Asia Aerosol”) (廣州歐亞氣霧劑與日化用品製造有限公司)*	PRC/ Chinese mainland	US\$3,000,000	—	100	Content filling of aerosol cans, and production and sale of aerosol and non-aerosol products

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Botny Hongkong Co., Limited	Hong Kong	US\$100,000	—	100	Trading of aerosol and non-aerosol products
Guangzhou Shentian Woye Trading Co., Ltd. ("Guangzhou Shentian") (廣州深田沃業貿易有限公司)*	PRC/ Chinese mainland	RMB10,000,000	—	100	Investment holding
Euro Asia Japan Co., Ltd. (株式会社ユーロアジア・ ジャパン)	Japan	JPY9,000,000	—	100	Trading of aerosol and non-aerosol products
China Medical Beauty Bio-Technology Company Limited ("China Medical Beauty")	Hong Kong	HK\$10,000	—	100	Trading of aerosol and non-aerosol products
Precious Dragon Group Limited	Hong Kong	HK\$1,000	—	100	Investment holding and trading
Botny Marine Limited	Hong Kong	HK\$10,000	—	100	Investment holding
Precious Dragon Technology Thai Limited	Thailand	THB 110,000,000	—	100	Content filling of aerosol cans, and production and sale of aerosol and non-aerosol products
Botny India Chemical Private Limited	India	INR500,000	—	70	Trading of aerosol and non-aerosol products
Smooth Culture Media Limited	Hong Kong	HK\$1,000	—	100	Investment holding and trading
Technology Driven Culture Media Limited	Hong Kong	HK\$1,000	—	100	Investment holding and trading
Car Magic E-commerce (Guangzhou) Co., Ltd. (車魔師電子商務(廣州)有限公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
High Speed Cruise E-commerce (Guangzhou) Co., Ltd. (高速巡航電子商務(廣州) 有限公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Instagram Power E-commerce (Guangzhou) Co., Ltd. (瞬移力量電子商務(廣州) 有限公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Pioneer Exploration E-commerce (Guangzhou) Co., Ltd. (前驅探索電子商務(廣州) 有限公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Precious Dragon (Guangzhou) Aromatherapy Co., Ltd. (保寶龍(廣州)香薰有限公司)*	PRC/ Chinese mainland	RMB1,000,000	—	100	Trading of aerosol and non-aerosol products
Yujie Zhe E-commerce (Guangzhou) Co., Ltd. (馭界者電子商務(廣州)有限公司)*	PRC/ Chinese mainland	RMB1,000,000	—	100	Trading of aerosol and non-aerosol products
Xiangqi E-Commerce (Guangzhou) Co., Ltd. (香氣電子商務(廣州)有限 責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Xiyuzhiguang E-Commerce (Guangzhou) Co., Ltd. (曦語之光電子商務(廣州) 有限責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Xiangxing E-Commerce (Guangzhou) Co., Ltd. (香行電子商務(廣州)有限 責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's subsidiaries are as follows: (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Xiangtu E-Commerce (Guangzhou) Co., Ltd. (香途電子商務(廣州) 有限責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Fangyun E-Commerce (Guangzhou) Co., Ltd. (芳韻電子商務(廣州) 有限責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Xiangche E-Commerce (Guangzhou) Co., Ltd. (香車電子商務(廣州) 有限責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Xiangyu E-Commerce (Guangzhou) Co., Ltd. (香馭電子商務(廣州) 有限責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Xiangchi E-Commerce (Guangzhou) Co., Ltd. (香馳電子商務(廣州) 有限責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Xinwei Space E-Commerce (Guangzhou) Co., Ltd. (馨味空間電子商務(廣州) 有限責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products
Fangfuzhijing E-Commerce (Guangzhou) Co., Ltd. (芳馥之境電子商務(廣州) 有限責任公司)*	PRC/ Chinese mainland	RMB50,000	—	100	Trading of aerosol and non-aerosol products

* These entities are registered as wholly-foreign-owned enterprises under the laws of the People's Republic of China (the "PRC").

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

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

- a) Automotive beauty and maintenance products;
- b) Personal care products

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits, certain cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude certain interest-bearing bank and other borrowings (other than lease liabilities), amounts due to a related party, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (continued)

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2025	Automotive beauty and maintenance products HK\$'000	Personal care products HK\$'000	Total HK\$'000
Segment revenue: (note 5)			
External customers	519,067	136,757	655,824
Intersegment sales	2,864	32,960	35,824
Total	521,931	169,717	691,648
<i>Reconciliation:</i>			
Elimination of intersegment sales			(35,824)
Revenue			655,824
Segment results	73,796	36,694	110,490
<i>Reconciliation:</i>			
Interest income			2,215
Corporate and other unallocated expenses			(12,814)
Finance costs (other than interest on lease liabilities)			(1,271)
Profit before tax			98,620

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2025	Automotive beauty and maintenance products HK\$'000	Personal care products HK\$'000	Total HK\$'000
Segment assets	365,517	99,656	465,173
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(1,948)
Corporate and other unallocated assets			<u>61,292</u>
Total assets			<u>524,517</u>
Segment liabilities	89,319	20,478	109,797
<i>Reconciliation:</i>			
Elimination of intersegment payables			(1,948)
Corporate and other unallocated liabilities			<u>39,278</u>
Total liabilities			<u>147,127</u>
Other segment information:			
Depreciation and amortisation	15,195	2,638	17,833
Capital expenditure*	8,604	409	9,013
Impairment losses/(reversal of impairment losses) on financial assets recognised in profit or loss and other comprehensive income	144	(454)	(310)
(Reversal of write-down)/write-down of inventories to net realisable value recognised in profit or loss and other comprehensive income	(3,271)	500	(2,771)
Impairment losses on long-term assets recognised in profit or loss and other comprehensive income	<u>13,316</u>	<u>—</u>	<u>13,316</u>

* Capital expenditure consists of additions to property, plant and equipment.

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2024	Automotive beauty and maintenance products HK\$'000	Personal care products HK\$'000	Total HK\$'000
Segment revenue: (note 5)			
External customers	484,799	128,168	612,967
Intersegment sales	4,309	23,871	28,180
	<hr/>	<hr/>	<hr/>
Total	489,108	152,039	641,147
	<hr/>	<hr/>	<hr/>
<i>Reconciliation:</i>			
Elimination of intersegment sales			(28,180)
			<hr/>
Revenue			612,967
			<hr/> <hr/>
Segment results	84,635	19,559	104,194
<i>Reconciliation:</i>			
Interest income			2,361
Corporate and other unallocated expenses			(54,440)
Finance costs (other than interest on lease liabilities)			(1,860)
			<hr/>
Profit before tax			50,255
			<hr/> <hr/>

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2024	Automotive beauty and maintenance products HK\$'000	Personal care products HK\$'000	Total HK\$'000
Segment assets	331,547	77,044	408,591
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(15,176)
Corporate and other unallocated assets			83,115
Total assets			<u>476,530</u>
Segment liabilities	98,512	45,333	143,845
<i>Reconciliation:</i>			
Elimination of intersegment payables			(15,176)
Corporate and other unallocated liabilities			22,381
Total liabilities			<u>151,050</u>
Other segment information:			
Depreciation and amortisation	19,943	3,304	23,247
Capital expenditure*	12,030	2,150	14,180
(Reversal of impairment losses)/impairment losses on financial assets recognised in profit or loss and other comprehensive income	(563)	9,165	8,602
Write-down/(reversal of write-down) of inventories to net realisable value recognised in profit or loss and other comprehensive income	1,797	(1,771)	26
Impairment losses on long-term assets recognised in profit or loss and other comprehensive income	<u>6,594</u>	<u>—</u>	<u>6,594</u>

* Capital expenditure consists of additions to property, plant and equipment.

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Chinese mainland	555,924	502,514
Japan	61,660	57,134
Asia	14,252	15,375
Middle East	6,374	7,614
America	10,592	25,359
Others	7,022	4,971
Total revenue	<u>655,824</u>	<u>612,967</u>

The revenue information above is based on the shipment destinations.

(b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Hong Kong	1,018	22,911
Chinese mainland	124,444	125,512
Thailand	102,602	112,620
Japan	128	73
Total non-current assets	<u>228,192</u>	<u>261,116</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

Information about major customers

Revenue from continuing operations of approximately HK\$79,665,000 (2024: HK\$65,355,000) was derived from sales by the personal care products segment to a single customer.

5. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers	<u>655,824</u>	<u>612,967</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Automotive beauty and maintenance products HK\$'000	Personal care products HK\$'000	Total HK\$'000
Type of goods			
Sale of products	<u>519,067</u>	<u>136,757</u>	<u>655,824</u>
Geographical markets			
Chinese mainland	429,799	126,125	555,924
Japan	61,660	—	61,660
Asia	7,545	6,707	14,252
Middle East	6,374	—	6,374
America	8,097	2,495	10,592
Others	5,592	1,430	7,022
Total	<u>519,067</u>	<u>136,757</u>	<u>655,824</u>
Timing of revenue recognition			
Goods transferred at a point in time	<u>519,067</u>	<u>136,757</u>	<u>655,824</u>

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue (continued)

Revenue from contracts with customers (continued)

(a) Disaggregated revenue information (continued)

For the year ended 31 December 2024

Segments	Automotive beauty and maintenance products HK\$'000	Personal care products HK\$'000	Total HK\$'000
Type of goods			
Sale of products	484,799	128,168	612,967
Geographical markets			
Chinese mainland	392,814	109,700	502,514
Japan	57,065	69	57,134
Asia	6,186	9,189	15,375
Middle East	7,614	—	7,614
America	18,266	7,093	25,359
Others	2,854	2,117	4,971
Total	484,799	128,168	612,967
Timing of revenue recognition			
Goods transferred at a point in time	484,799	128,168	612,967

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities at the beginning of the reporting period:		
Sale of products	6,586	9,139

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 105 days from delivery, except for some customers, where payment in advance is normally required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 HK\$'000	2024 HK\$'000
Amounts expected to be satisfied as revenue:		
Within one year	<u>7,339</u>	<u>6,586</u>

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be satisfied within one year.

Other income and gains

	2025 HK\$'000	2024 HK\$'000
Scrapped and recycled item sales	2,845	2,114
Bank interest income	2,215	2,361
Government grants:		
— Related to assets*	218	219
— Related to income**	841	2,014
Service income	502	2,993
Gain on disposal of items of property, plant and equipment	14,154	—
Others	<u>8,815</u>	<u>3,865</u>
Total other income and gains	<u>29,590</u>	<u>13,566</u>

* The amount represents the subsidies for the production line of the content filling technical renovation program received from the local government. Government grants received for which the related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

5. REVENUE, OTHER INCOME AND GAINS (continued)

Other income and gains (continued)

** Various government grants of HK\$841,000 (2024: HK\$2,014,000) represent cash receipts from and subsidies provided by the local government authorities to the Group as an encouragement for its technological innovation and overseas sales. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

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

	Notes	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold		370,123	385,719
Depreciation of property, plant and equipment	14	16,294	21,742
Depreciation of right-of-use assets		1,539	1,505
Auditor's remuneration		1,615	1,523
Research and development costs		22,744	24,313
Lease payments not included in the measurement of lease liabilities		267	4
Employee benefit expense (including directors' remuneration):			
Wages and salaries		43,511	46,689
Pension scheme contributions		4,805	4,202
Total		48,316	50,891
(Gain)/loss on disposal of items of property, plant and equipment, net*		(14,154)	72
(Reversal of impairment)/impairment of financial assets	12	(310)	8,602
Write-down of inventories to net realisable value		(2,771)	26
Impairment losses on property, plant and equipment**	14	13,316	6,594

* Included in "Other income and gains" and "Other expenses" in the consolidated statement of profit or loss and other comprehensive income

** Included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	HK\$'000	HK\$'000
Interest on bank loans wholly repayable within five years	1,271	1,860
Interest on lease liabilities	6	2
Total	1,277	1,862

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman and BVI, the Group is not subject to any tax in the Cayman and BVI, respectively.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Pursuant to the PRC Income Tax Law and the respective regulations, subsidiaries of the Group operating in Chinese mainland are subject to Corporate Income Tax ("CIT") at a rate of 25% on the taxable income. Preferential tax treatment is available to the Group's operating subsidiary, Botny Chemical, since it was recognised as a high technology enterprises and was entitled to a preferential tax rate of 15% for the years of 2025 and 2024.

	2025	2024
	HK\$'000	HK\$'000
Current – Chinese mainland	37,331	15,750
Current – Hong Kong	4	4
Underprovision in prior years	238	883
Deferred	2,228	(451)
Total tax charge for the year	39,801	16,186

8. INCOME TAX (continued)

A reconciliation of the tax expenses applicable to profit before tax using the statutory rate for the jurisdictions in which the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable tax rates to the effective tax rates, are as follows:

	2025		2024	
	HK\$'000	%	HK\$'000	%
Profit before tax	<u>98,620</u>		<u>50,255</u>	
Tax at the statutory tax rate	24,655	25.0	12,564	25.0
Entities subject to lower statutory income tax rates	(7,943)	(8.1)	(4,426)	(8.8)
Effect of withholding tax on distributable profits of the Group's PRC subsidiaries	4,136	4.2	3,311	6.6
Expenses not deductible for tax	897	0.9	642	1.3
Super deduction of R&D	(3,469)	(3.5)	(3,743)	(7.4)
Adjustment in respect of current tax of previous periods	238	0.2	883	1.8
Temporary differences and tax losses not recognised	<u>21,287</u>	<u>21.7</u>	<u>6,955</u>	<u>13.7</u>
Tax charge at the Group's effective tax rate	<u>39,801</u>	<u>40.4</u>	<u>16,186</u>	<u>32.2</u>

9. DIVIDENDS

	2025	2024
	HK\$'000	HK\$'000
Interim – HK3.24 cents (2024: HK1.42 cent) per ordinary share	7,579	3,322
Proposed final – HK3.78 cents (2024: HK2.19 cents) per ordinary share	<u>8,842</u>	<u>5,123</u>
	<u>16,421</u>	<u>8,445</u>

The proposed final dividend on ordinary shares is subject to approval at the annual general meeting and was not recognised as a liability as at 31 December 2025.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 233,917,250 (2024: 233,917,250) in issue during the year, as adjusted to reflect the rights issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	2025 HK\$'000	2024 HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>58,819</u>	<u>34,069</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u>233,917,250</u>	<u>233,917,250</u>

11. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	13,710	13,474
Work in progress	2,185	2,668
Finished goods	<u>22,248</u>	<u>20,697</u>
Total	<u>38,143</u>	<u>36,839</u>

12. TRADE AND BILLS RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	82,843	64,340
Impairment	<u>(18,779)</u>	<u>(18,660)</u>
Net carrying amount	64,064	45,680
Bills receivable	<u>454</u>	<u>1,111</u>
Total	<u><u>64,518</u></u>	<u><u>46,791</u></u>

The Group requires most of its customers to make payments in advance, however, the Group generally grants credit terms from 30 to 105 days to those customers with good payment history. The credit period for specific customers is considered on a case-by-case basis and set out in the sales contracts, as appropriate.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade receivables are non-interest-bearing, and the carrying amounts of the trade and bills receivables approximate to their fair values.

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	28,451	19,613
31 to 60 days	15,427	13,804
61 to 90 days	12,612	6,422
Over 90 days	<u>7,574</u>	<u>5,841</u>
Total	<u><u>64,064</u></u>	<u><u>45,680</u></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	18,660	10,362
(Reversal of impairment losses)/impairment losses, net (note 6)	(310)	8,602
Exchange realignment	<u>429</u>	<u>(304)</u>
At end of year	<u><u>18,779</u></u>	<u><u>18,660</u></u>

12. TRADE AND BILLS RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECLs). The provision rates are based on the invoice date for groupings of various customer segments with similar loss patterns (i.e., ageing of the balances and recent historical payment patterns). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Ageing				Total
	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
As at 31 December 2025					
Expected credit loss rate	0.04%	0.09%	3.40%	70.74%	22.67%
Gross carrying amount (HK\$'000)	28,463	15,442	13,056	25,882	82,843
Expected credit losses (HK\$'000)	12	15	444	18,308	18,779
As at 31 December 2024					
Expected credit loss rate	0.04%	1.34%	4.68%	75.65%	29.00%
Gross carrying amount (HK\$'000)	19,620	13,992	6,737	23,991	64,340
Expected credit losses (HK\$'000)	7	188	315	18,150	18,660

13. TRADE AND BILLS PAYABLES

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	25,784	22,206
31 to 60 days	7,776	8,620
61 to 90 days	5,276	6,977
Over 90 days	8,197	3,817
Total	47,033	41,620

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Plant and machinery HK\$'000	Office and other equipment HK\$'000	Motor vehicles and yacht HK\$'000	Land HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 December 2025							
At 1 January 2025:							
Cost	186,849	92,114	18,655	54,895	21,986	18,830	393,329
Accumulated depreciation	(88,394)	(53,032)	(14,056)	(31,497)	—	—	(186,979)
Net carrying amount	<u>98,455</u>	<u>39,082</u>	<u>4,599</u>	<u>23,398</u>	<u>21,986</u>	<u>18,830</u>	<u>206,350</u>
At 1 January 2025, net of							
accumulated depreciation	98,455	39,082	4,599	23,398	21,986	18,830	206,350
Additions	485	2,559	1,000	358	—	4,365	8,767
Disposals	—	(64)	(55)	(21,173)	—	—	(21,292)
Depreciation provided during the year (note 6)	(7,185)	(8,013)	(919)	(177)	—	—	(16,294)
Impairment (note 6)	(8,221)	(2,587)	(161)	(37)	(2,310)	—	(13,316)
Transfers	14,091	866	—	—	—	(14,957)	—
Exchange realignment	(8,578)	2,132	214	54	1,525	13,776	9,123
At 31 December 2025, net of accumulated depreciation	<u>89,047</u>	<u>33,975</u>	<u>4,678</u>	<u>2,423</u>	<u>21,201</u>	<u>22,014</u>	<u>173,338</u>
At 31 December 2025:							
Cost	185,464	95,979	19,655	18,049	21,201	22,014	362,362
Accumulated depreciation	(96,417)	(62,004)	(14,977)	(15,626)	—	—	(189,024)
Net carrying amount	<u>89,047</u>	<u>33,975</u>	<u>4,678</u>	<u>2,423</u>	<u>21,201</u>	<u>22,014</u>	<u>173,338</u>

14. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings HK\$'000	Plant and machinery HK\$'000	Office and other equipment HK\$'000	Motor vehicles and yacht HK\$'000	Land HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 December 2024							
At 1 January 2024:							
Cost	191,086	86,618	18,053	55,319	23,113	18,183	392,372
Accumulated depreciation	(79,049)	(46,528)	(13,625)	(27,931)	—	—	(167,133)
Net carrying amount	<u>112,037</u>	<u>40,090</u>	<u>4,428</u>	<u>27,388</u>	<u>23,113</u>	<u>18,183</u>	<u>225,239</u>
At 1 January 2024, net of							
accumulated depreciation	112,037	40,090	4,428	27,388	23,113	18,183	225,239
Additions	2,362	2,497	1,102	92	—	8,555	14,608
Disposals	—	(50)	(27)	(71)	—	—	(148)
Depreciation provided during							
the year (note 6)	(9,306)	(7,715)	(767)	(3,954)	—	—	(21,742)
Impairment (note 6)	(4,074)	(1,258)	(74)	(19)	(1,169)	—	(6,594)
Transfers	4,876	8,571	70	—	—	(13,517)	—
Exchange realignment	(7,440)	(3,053)	(133)	(38)	42	5,609	(5,013)
At 31 December 2024, net of	<u>98,455</u>	<u>39,082</u>	<u>4,599</u>	<u>23,398</u>	<u>21,986</u>	<u>18,830</u>	<u>206,350</u>
At 31 December 2024:							
Cost	186,849	92,114	18,655	54,895	21,986	18,830	393,329
Accumulated depreciation	(88,394)	(53,032)	(14,056)	(31,497)	—	—	(186,979)
Net carrying amount	<u>98,455</u>	<u>39,082</u>	<u>4,599</u>	<u>23,398</u>	<u>21,986</u>	<u>18,830</u>	<u>206,350</u>

The Group's buildings and construction in progress are located in Chinese mainland and Thailand, respectively.

Certain of the Group's interest-bearing bank borrowings were secured by the Group's buildings, plant and machinery with a carrying value of HK\$88,882,000 as at 31 December 2025 (2024: HK\$90,579,000) (note 15).

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment testing of property, plant and equipment

As management concluded there are impairment indicators for property, plant and equipment of Precious Dragon Technology Thai Limited as at 31 December 2025. Therefore, an impairment assessment was performed for the year ended 31 December 2025. The impairment test is based on the recoverable amount of the affected assets. The key assumptions that management used in the valuation are as follows:

	As at 31 December 2025
Revenue growth rate	2%
Gross profit margin	25%
Pre-tax discount rate	13.4%

During the year ended 31 December 2025, impairment losses amounting to HK\$13,316,000 (2024: HK\$6,594,000) were recognised on certain property, plant and equipment related to Precious Dragon Technology Thai Limited business due to their utilisation and condition not meeting the Group's expectations.

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Contractual interest rate	Maturity	HK\$'000	Contractual interest rate	Maturity	HK\$'000
Current						
Lease liabilities	1.60%~5.25%	2026	124	1%~5.125%	2025	57
Current portion of long term bank loans – secured	MLR—1.0%	2026	<u>10,840</u>	MLR-1.0%	2025	<u>10,103</u>
Total – current			<u>10,964</u>			<u>10,160</u>
Non-current						
Lease liabilities	2.45%	2027	56	—	—	—
Long term bank loans – secured	MLR—1.0%	2027	<u>5,421</u>	MLR-1.0%	2027	<u>15,155</u>
Total – non-current			<u>5,477</u>			<u>15,155</u>
Total			<u><u>16,441</u></u>			<u><u>25,315</u></u>

Notes:

“MLR” stands for the Minimum Lending Rate designated by Bank of Thailand.

15. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

	2025 HK\$'000	2024 HK\$'000
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	10,840	10,103
In the second year	5,421	10,103
In the third to fifth years, inclusive	—	5,052
	<u>16,261</u>	<u>25,258</u>
Subtotal		
Other borrowings repayable:		
Within one year or on demand	124	57
In the second year	56	—
	<u>180</u>	<u>57</u>
Subtotal		
	<u>16,441</u>	<u>25,315</u>
Total		

The above secured bank loans and unutilised bank facilities were secured by certain of the Group's assets and their carrying values are as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
Property, plant and equipment	14	88,882	90,579
Leasehold land		67,944	68,942
		<u>156,826</u>	<u>159,521</u>
Total			

15. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

In addition, certain of the Group's bank loans with an amount of HK\$16,261,000 was guaranteed by the Company and Ms. Ko Sau Mee, the chairlady and executive director of the Company as at the end of the reporting period (2024: HK\$25,258,000).

	2025 HK\$'000	2024 HK\$'000
Interest-bearing bank borrowings denominated in:		
— THB	<u>16,261</u>	<u>25,258</u>

The Group has the following undrawn banking facilities:

	2025 HK\$'000	2024 HK\$'000
Floating rate		
— to expire within one year	323,306	247,273
— to expire after one year	<u>30,868</u>	<u>90,276</u>
Total	<u>354,174</u>	<u>337,549</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is the leading manufacturer specializing in manufacturing of aerosol products used in the automotive beauty and maintenance products in the People's Republic of China ("PRC"). We are principally engaged in the design, development, manufacture and sale of a wide range of automotive beauty and maintenance products including auto cleaning and maintenance products (such as auto interior decoration cleaning products and tyre and wheel cleaning and care products), paint and coating (such as chrome aerosol spray), winter and summer specials (such as refrigerant and cold cranking agent) and air-fresheners. The automotive beauty and maintenance products are in the form of aerosol and non-aerosol products. We also design, develop, manufacture and sell personal care products (such as foaming facial wash, sunscreen, moisturiser, deodoriser, sanitizer and hand wash) and other products including household products (such as paint and floor polish).

The Company sells the products on contract manufacturing service ("CMS") and original brand manufacturing ("OBM"). The Company's OBM business offers products under our own brand names of BOTNY (保賜利), ATM, ETOMAN (已度明), NISSEI, WIN (勝彩), FOX-D (狐狸), PISCIS (百麗時) and PARLUX (派樂士), which are sold mainly through (1) the networks of distributors, who further resell our OBM products to wholesalers, retailers and end-users in the PRC; and (2) various online stores, such as "保賜利旗艦店" at Tmall and "保賜利京東自營旗艦店" at JD.com, and other online sales platform.

During the Reporting Period, the Group continued to allocate more resources to further develop the OBM business. The Group enhanced the brand recognition activities, including sponsorship in exhibitions, public relation events, and multi-media platforms in order to promote the corporate image and brands to new potential and existing customers. The Group recorded a significant growth in online markets sales reflects the strategy of continuing to implement the e-commerce strategies in PRC. We have launched the series of automotive beauty and maintenance products, 保寶龍, under our BOTNY (保賜利) brand for the repositioning of our corporate image and for broadening our clientele. We believe in the growth potential of our products under our new 保寶龍 series, as it takes time to establish a new line of products, we expect the other products under our BOTNY (保賜利) brand to remain our main revenue driver in the near future.

OPERATING ENVIRONMENT AND PROSPECTS

As the global economy is continuously shrouded in the shadow of various difficulties, like, trade protectionism, ongoing conflicts and rising geopolitical risks, and raw material prices in uncertainty and volatility, there are high uncertainties and rapid changes in global economic development. Moreover, wars in different regions further disrupt global logistics, creating bottlenecks in supply chains, increasing transportation costs, and amplifying the risks of delivery delays. The Group pays close attention to the development and changes of the industry and adjusts its strategies in a timely manner to cope with (i) the uncertainties brought by the trade protectionism; (ii) market demands of products; and (iii) changes in the external environment. Meanwhile, by continuously adjusting the diversified strategies and customer management, actively participating in various types of exhibitions in the People's Republic of China ("PRC") and around the world and launching new products to meet market demands, the Group will continue to strengthen the promotion of its own brands, enhance the relationship with customers and expand into new markets, with a view to continually consolidating and strengthening the Group's business development.

In 2025, PRC's economy showed steady growth and resilience, driven by significant growth in industrial production, favorable external demand and improved trade activities, and increasing in demand of service sector. The gross domestic product growth of the PRC reached 5.0% Year over Year, fueled by robust demand for services, solid manufacturing investments, and enhanced public infrastructure initiatives. However, the recovery remains fragile, with potential challenges from global economic uncertainties and domestic structural adjustments. The government of PRC has implemented several regulations to ensure the safety of aerosol products and reduce their impact on the environment. Meanwhile, consumers are becoming increasingly aware of the environmental impact of consumer products and are looking for alternatives that are less harmful to the environment. Therefore, opportunities and challenges coexist. The Group is still prudent and optimistic towards its domestic market, Original Brand Manufacturing ("OBM") business and personal care products sectors. The Group will continue to improve its OBM business by exhibitions, developing e-commerce sales strategies, improving existing OBM products' series with environmentally friendly formula, strictly controlling cost, lifting the brand image, and enhancing the competitiveness of products.

FINANCIAL REVIEW

Turnover

For the Reporting Period, the Group recorded a turnover of approximately HK\$655.8 million (2024: approximately HK\$613.0 million), representing an increase of approximately 7.0% compared to the corresponding period of 2024.

Automotive beauty and maintenance products segment

For the Reporting Period, the Group's automotive beauty and maintenance products segment recorded a turnover of approximately HK\$519.1 million (2024: approximately HK\$484.8 million), representing an increase of approximately 7.1% compared to the corresponding period of 2024. The increase in segment revenue was primarily driven by the steady recovery of the PRC economy and the successful execution of effective sales strategies for the Group's OBM products, particularly through e-commerce platforms.

Personal care products segment

For the Reporting Period, the Group's personal care products segment generated revenue amounting to approximately HK\$136.8 million (2024: approximately HK\$128.2 million), representing an increase of approximately 6.7% compared to the corresponding period of 2024. The increase in segment revenue was mainly due to increase in demand of personal care products from a major overseas customer.

Cost of Sales

For the Reporting Period, cost of sales of the Group amounted to approximately HK\$370.1 million (2024: approximately HK\$385.7 million), which represented approximately 56.4% (2024: approximately 62.9%) of the turnover in the period. There was a decrease of approximately 4.0% in the cost of sales which was mainly attributable to: (i) an increase in the sales volume of products, allowing the Group to benefit from economies of scale and improved production efficiency; (ii) improved sourcing and procurement strategies, including better supplier terms and reduced input costs; (iii) the decrease in average raw material prices, including tinplate containers, solvents, and gas; and (iv) automation and process optimization in manufacturing, which lowered labor and overhead expenses.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit amounted to approximately HK\$285.7 million (2024: approximately HK\$227.2 million), representing a significant increase of approximately 25.7% compared to the corresponding period of 2024. The significant increase in gross profit was mainly driven by the effects of (i) the successful execution of effective e-commerce sales strategies for the Group's OBM products with high profit margins across various online platforms, which contributed to stronger revenue and improved profitability; (ii) the decrease in raw material prices, including tinplate containers, solvents and gas; (iii) improved sourcing and procurement strategies; and (iv) automation and process optimization in manufacturing.

Other Income and Gains

Other income and gains mainly consist of sales of scrapped and recycled item, bank interest income, gain on disposal of property, plant and equipment, net foreign exchange income, income from provision of promotion services and government grants. During the period, other income and gains of the Group amounted to approximately HK\$29.6 million (2024: approximately HK\$13.6 million), representing a significant increase of approximately 118.1% compared to the corresponding period of 2024. The increase was mainly due to the combined effects of (i) a gain on disposal of approximately HK\$14.3 million arising from the disposal of a vessel during year ended 31 December 2025; and (ii) a net foreign exchange income, mainly resulting from favorable exchange rate movements on foreign currency.

Selling and Distribution Expenses

Selling and distribution expenses mainly consisted of transportation expenses and declaration charges for delivery of products to customers, salaries, performance bonuses and employee benefits expenses for the sales and marketing staff, business travel, entertainment expenses, advertisement and promotion expenses, and office expenses. For the Reporting Period, selling and distribution expenses amounted to approximately HK\$124.9 million (2024: approximately HK\$90.0 million), representing a significant increase of approximately 38.8% compared to the corresponding period of 2024. The significant increase was primarily due to a rise in advertisement and promotion costs, amounting to approximately HK\$88.2 million (2024: approximately HK\$49.8 million) during the year ended 31 December 2025, which were incurred to enhance the e-commerce platforms.

Administrative Expenses

Administrative expenses mainly represented staff salaries, welfare and bonus for our administrative staff and directors' remuneration, professional fees, other taxes and surcharges, and depreciation expenses. For the Reporting Period, administrative expenses amounted to approximately HK\$53.0 million (2024: approximately HK\$58.0 million), representing a decrease of approximately 8.5% compared to the corresponding period of 2024. The decrease in administrative expenses was primarily due to the implementation of strict cost control measures to reduce the general expenses.

Other expenses

Other expenses mainly represented provision for asset impairment, losses on disposals, write-down of inventories and donations. For the Reporting Period, other expenses amounted to approximately HK\$15.0 million (2024: approximately HK\$7.8 million), representing a significant increase of approximately 93.2% compared to the corresponding period of 2024. The increase in other expenses was primarily attributable to provision for asset of impairment approximately HK\$13.3 million (2024: HK\$6.6 million) recognised as at 31 December 2025.

In compliance with relevant accounting standards, the Company conducted impairment tests on its investment in a production plant located in Thailand ("Factory") as of 31 December 2025. As a result, impairment losses amounting to HK\$13.3 million were recognized on property, plant and equipment related to the Factory. The impairment arose due to the Factory's utilization and condition not meeting the Group's expectations. The pre-tax discount rate applied to the cash flow projections was 13.4%, which was before tax and reflected specific risks relating to the relevant unit.

Net Profit

The Group's net profit amounted to approximately HK\$58.8 million for the Reporting Period (2024: approximately HK\$34.1 million), representing a significant increase of approximately 72.6% compared to the corresponding period in 2024. The substantial growth in net profit was primarily driven by the combined effects of, (i) the successful execution of effective e-commerce sales strategies for the Group's OBM products with high profit margins across various online platforms, which contributed to stronger revenue and improved profitability; (ii) a significant increase in selling and distribution expenses aimed at enhancing the Group's e-commerce platforms; (iii) a gain on disposal arising from the sale of a vessel; and (iv) a decrease in administrative expenses due to the implementation of strict cost control measures.

TREASURY POLICY

The Group adopts treasury policy that aims to better control its treasury operations and lower borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

LIQUIDITY AND CAPITAL RESOURCES

Net Current Assets

As at 31 December 2025, the Group had net current assets of approximately HK\$156.1 million (31 December 2024: approximately HK\$96.5 million). The Group's cash and cash equivalents and pledged bank deposits amounted to approximately HK\$173.2 million as at 31 December 2025 (31 December 2024: approximately HK\$110.5 million) which are mainly denominated in Renminbi, United States dollars, Japanese yen, Hong Kong dollars and Thailand Baht. The current ratio of the Group was approximately 2.2 times as at 31 December 2025 (31 December 2024: approximately 1.9 times).

Borrowings and the Pledge of Assets

The bank borrowings of the Group, which were secured by our properties, plant and equipment and leasehold land amounted to approximately HK\$16.3 million as at 31 December 2025 with maturity ranged from 2026 to 2027 (31 December 2024: approximately HK\$25.3 million). All borrowings are charged with reference to Minimum Lending Rate.

As at 31 December 2025, we had available unutilized banking facilities of approximately HK\$354.2 million (31 December 2024: approximately HK\$337.5 million).

Gearing Ratio

As a result of the decrease in total borrowings of the Group, net debt turned negative. Accordingly, the gearing ratio which is calculated by dividing net debt by equity attributable to owners of the Company and net debt, was not applicable as at 31 December 2025 (31 December 2024: approximately 4.0%).

Contingent Liabilities

As at 31 December 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

Capital commitments

As at 31 December 2025, the Group's capital commitment represented the commitment of plant and machinery. As at 31 December 2025, the Group had commitment of plant and machinery of approximately HK\$0.4 million (31 December 2024: approximately HK\$0.5 million).

CAPITAL STRUCTURE

As at 31 December 2025, the total number of issued shares of the Company (the "Shares") was 233,917,250 (31 December 2024: 233,917,250).

FOREIGN EXCHANGE EXPOSURE AND EXCHANGE RATE RISK

Approximately 15.2% of the Group's revenue for the Reporting Period were denominated in the United States dollar ("US\$"). However, over 90% of the production costs were conducted in RMB. Therefore, there is a currency mismatch between US\$ revenue and RMB production costs, which gives rise to exposure to foreign exchange risk. Furthermore, there is a time lag between invoicing and final settlement from customers of export sales. The Group is exposed to foreign exchange risks if the foreign exchange rate at which the US\$ sales proceeds received from export sales is different from the rate at which the Group used to book the US\$ sales transactions at the time of sales.

The Group has a foreign operation in Thailand, which is financed by bank borrowings denominated in Thai Baht and intercompany fund transfer. The Group is exposed to foreign exchange risks subject to fluctuations in the exchange rate of Thai Baht.

During the year ended 31 December 2025, we did not enter into any foreign currency forward contracts or have any outstanding foreign currency forward contracts. The Group does not use any financial instruments for hedging purposes.

EMPLOYEES AND EMOLUMENTS POLICY

As at 31 December 2025, the Group had a workforce of 459 employees (31 December 2024: 468 employees). The staff costs, including directors' emoluments but excluding any contributions to the pension scheme, were approximately HK\$43.5 million for the Reporting Period (2024: approximately HK\$46.7 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of an individual employee. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance to attract and retain eligible employees of the Group. Share options would be granted to certain eligible persons with outstanding performance and contributions to the Group. The emoluments of the Directors have been determined with reference to the skills, knowledge, contribution in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the Reporting Period.

DIRECTORS' REMUNERATION POLICY

A directors' remuneration policy has been adopted. It aims to set out the Company's policy in respect of remuneration paid to executive Directors and non-executive Directors. The Directors' remuneration policy sets out the remuneration structure that allows the Company to attract, motivate and retain qualified Directors who can manage and lead the Company in achieving its strategic objective and contribute to the Company's performance and sustainable growth, and to provide Directors with a balanced and competitive remuneration. The remuneration policy is, therefore, aiming at being competitive but not excessive. To achieve this, remuneration package is determined with reference to a matrix of factors, including the individual performance, qualification and experience of Directors concerned and prevailing industry practice. It will be reviewed and, if necessary, updated from time to time to ensure its continued effectiveness.

SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Group did not have any significant investments (31 December 2024: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 27 June 2025, Botny Marine Limited (the "Vendor"), a wholly owned subsidiary of the Company, entered into the Memorandum of Agreement with Mr. Mak Ying Kit (the "Purchaser") for the disposal of a vessel, a 2020 Sunseeker 86 motor yacht (the "Vessel"). The consideration of the Vessel is HK\$35,021,737. The Vessel was delivered by the Vendor to the Purchaser on 30 June 2025. For details, please refer to the announcement issued by the Company dated 27 June 2025.

Save as disclosed above, during the Reporting Period, the Group did not have other acquisition or disposal of subsidiaries, associates or joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed herein and in the Company's prospectus dated 3 June 2019, the Group did not have other approved plans for material investments or capital assets as at 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

Discloseable Transaction in Relation to Construction Agreement for the Production Plant in Guangzhou

On 7 January 2026, 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) (“Euro Asia Aerosol”), a wholly-owned subsidiary of the Company, entered into the Construction Agreement with 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 (“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). For details, please refer to the announcement issued by the Company dated 7 January 2026.

Discloseable Transaction in Relation to Acquisition of a Property

On 22 January 2026, European Property Holding Limited (“the Purchaser”), an indirect wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Skyway Investment Limited (“the Vendor”), pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at a consideration of HK\$40,388,800. For details, please refer to the announcement issued by the Company dated 22 January 2026.

Save as disclosed above, there were no significant events after 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code as set out in Appendix C1 (the “CG Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) during the Reporting Period except the code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairlady and chief executive should be separate and should not be performed by the same individual. As the duties of chairlady and chief executive of the Company are performed by Ms. Ko Sau Mee (“Mrs. Lin”), the Company has deviated from the CG Code. The Board believes that it is necessary to vest the roles of chairlady and chief executive in the same person due to its unique role, Mrs. Lin’s experience and established market reputation in the industry, and the importance of Mrs. Lin in the strategic development of the Company. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

AUDIT COMMITTEE

The Audit Committee was established on 27 May 2019 with terms of reference in compliance with the CG Code to the Listing Rules for the purpose of making recommendations to the Board on the appointment and removal of the external auditors, reviewing the financial statements and related materials and providing advice in respect of the financial reporting process, and overseeing the risk management and internal control systems of the Group. The Audit Committee comprises three members, all being independent non-executive Directors, namely, Mr. Poon Tak Ching (Chairman), Mr. Lee Yiu Pui and Mr. Pang Cheung Wai, Thomas. The Group's accounting principles and practices, financial statements and related materials for the Reporting Period had been reviewed by the Audit Committee.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial information for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 27 May 2019, with specific written terms of reference for making recommendations to the Board regarding the Group's policy and structure for all remuneration of Directors and senior management and approving the remuneration package of the individual executive Directors, the specific duties set out in code provisions E.1.2(a) to (h) of the CG Code. The Remuneration Committee comprises a total of four members, being one executive Director, namely, Ms. Ko Sau Mee and three independent non-executive Directors, namely, Mr. Pang Cheung Wai, Thomas (Chairman), Mr. Lee Yiu Pui and Mr. Poon Tak Ching. Accordingly, a majority of the members are independent non-executive Directors.

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) was established on 27 May 2019, with specific written terms of reference in compliance with the CG Code for reviewing the Board composition, developing the relevant procedures for nomination and appointment of Directors and assessing the independence of the independent non-executive Directors to ensure that the Board has a balance of expertise, skills and experience and formulating succession plans for executive Directors and senior executives. The Nomination Committee comprises a total of four members, being one executive Director, namely, Ms. Ko Sau Mee, and three independent non-executive Directors, namely, Mr. Lee Yiu Pui (Chairman), Mr. Poon Tak Ching and Mr. Pang Cheung Wai, Thomas. Accordingly, a majority of the members are independent non-executive Directors.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors’ Securities transactions. Specific enquiries have been made with all the Directors and they have confirmed that they have complied with the Model Code throughout the Reporting Period.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK3.78 cents per Share for the year ended 31 December 2025 (2024: HK2.19 cent per Share) to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 9 June 2026, subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (the “AGM”) to be held on 22 May 2026. The final dividend will be payable on or before 6 July 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 18 May 2026 to 22 May 2026, both days inclusive, during which period no transfers of Shares shall be effected. In order to qualify for attending the forthcoming AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 15 May 2026. The record date for determining the eligibility of the Shareholders to attend and vote at the 2026 AGM will be Friday, 22 May 2026.

The register of members of the Company will be closed from 4 June 2026 to 9 June 2026, both days inclusive, during which period no transfers of Shares shall be effected. In order to qualify for the final dividend, all transfers of Shares accompanied by the relevant Share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at the above address for registration not later than 4:30 p.m. on 3 June 2026. The record date for determining shareholders' entitlement to the proposed final dividend will be Tuesday, 9 June 2026.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (<http://www.botny.com>). The annual report of the Company for the year ended 31 December 2025 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Precious Dragon Technology Holdings Limited
保寶龍科技控股有限公司
Ko Sau Mee
Chairlady and Executive Director

Hong Kong, 16 March 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.

* *For identification purpose only*