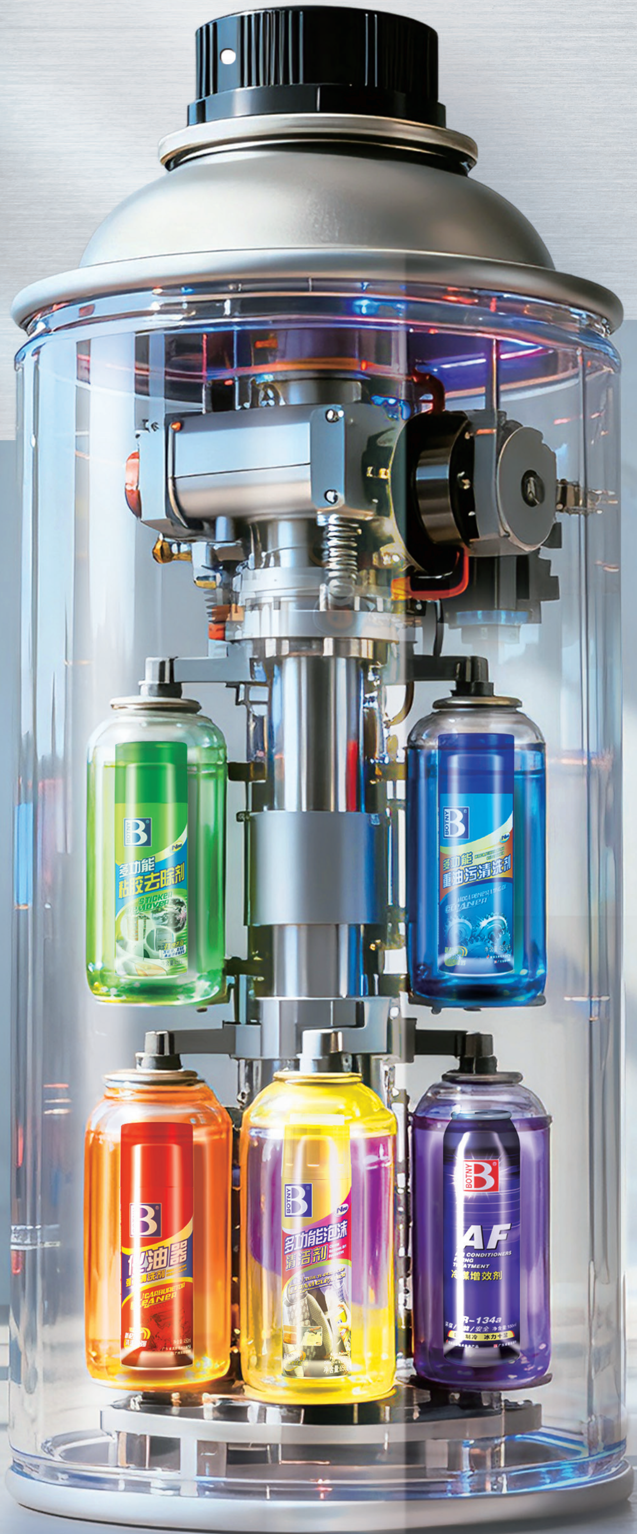
Precious Dragon Technology Holdings Limited

保寶龍科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1861



ANNUAL REPORT 2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Ko Sau Mee *(Chairlady and Chief Executive)*
Ms. Lin Hing Lei
Mr. Lin Hing Lung
Mr. Yang Xiaoye

Independent Non-executive Directors

Mr. Lee Yiu Pui
Mr. Poon Tak Ching
Mr. Pang Cheung Wai, Thomas, GBS, JP

COMMITTEES OF THE BOARD

Audit Committee

Mr. Poon Tak Ching *(Chairman)*
Mr. Lee Yiu Pui
Mr. Pang Cheung Wai, Thomas, GBS, JP

Remuneration Committee

Mr. Pang Cheung Wai, Thomas, GBS, JP *(Chairman)*
Ms. Ko Sau Mee
Mr. Lee Yiu Pui
Mr. Poon Tak Ching

Nomination Committee

Mr. Lee Yiu Pui *(Chairman)*
Ms. Ko Sau Mee
Mr. Poon Tak Ching
Mr. Pang Cheung Wai, Thomas, GBS, JP

AUTHORIZED REPRESENTATIVES

Ms. Ko Sau Mee
Mr. Lee Kam Fai

COMPANY SECRETARY

Mr. Lee Kam Fai

REGISTERED OFFICE

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HEADQUARTER OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

No. 628 Jufeng North Road
Aotou Town
Conghua District
Guangzhou City
Guangdong Province
People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit G, 20/F., Golden Sun Centre
Nos. 59/67 Bonham Strand West
Sheung Wan
Hong Kong

INDEPENDENT AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27/F One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

CAYMAN ISLANDS PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of China Limited
CTBC Bank Co., Limited
Bangkok Bank Public Company Limited

STOCK CODE

1861

WEBSITE FOR THE COMPANY

www.botny.com

CHAIRLADY'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Precious Dragon Technology Holdings Limited (the "Company"), I am pleased to present to the shareholders of the Company (the "Shareholders") the annual report and audited consolidated financial statements of the Company together with its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 (the "Reporting Period").

RESULTS

During the Reporting Period, the Group's total turnover was approximately HK$655.8 million, representing an increase by approximately 7.0% compared to that of last year (2024: approximately HK$613.0 million) while the Group's profit attributable to owners of the parent for the year amounted to approximately HK$58.8 million, significantly increased by approximately 72.6% compared to the prior year (2024: approximately HK$34.1 million).

DIVIDENDS

The Board has resolved to recommend a final dividend of HK3.78 cents per share of the Company (the "Share") for the Reporting Period (2024: HK2.19 cents per Share).

During the Reporting Period, an interim dividend of HK3.24 cents per Share was declared.

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.

CHAIRLADY'S STATEMENT

GRATITUDE

On behalf of the Company, I would like to express my sincere gratitude to our valued Shareholders, customers, banks and to our management and employees for their continuous trust and support to the Group.

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

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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).

MANAGEMENT DISCUSSION AND ANALYSIS

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).

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

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 report.

CORPORATE GOVERNANCE REPORT

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.

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.

CHAIRLADY AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of chairlady and chief executive should be separate and should not be performed by the same individual. The Company does not segregate the roles of chairlady and chief executive and Mrs. Lin currently holds both positions, as explained in the paragraph headed "Corporate Governance Practices" in the Corporate Governance Report.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance, legal and business. Their skills, expertise and number in the Board ensure that strong independent views and judgment are brought in the Board's deliberations and that such views and judgment carry weight in the Board's decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of the Shareholders and the Company.

Each of the independent non-executive Directors gives the Company an annual confirmation of his independence. The Company considers such Directors to be independent under the guidelines set out in Rule 3.13 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

THE BOARD

Directors' Responsibility in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 81 to 86.

Function of the Board

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board shall take decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective operation. All Directors have full and timely access to all the information of the Company as well as the services and advice from the senior management and company secretary of the Company (the "Company Secretary"). The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

Board Composition

Currently, the Board comprises four executive Directors and three independent non-executive Directors. The Company has complied with Rules 3.10 and 3.10A of the Listing Rules. During the Reporting Period, the number of independent non-executive Directors represents more than one-third of the Board. As such, there exists a strong independent element in the Board, which can effectively exercise independent judgment.

The Board comprises the following Directors:

Executive Directors

Ms. Ko Sau Mee *(Chairlady and Chief Executive)*
Ms. Lin Hing Lei
Mr. Lin Hing Lung
Mr. Yang Xiaoye

Independent non-executive Directors

Mr. Lee Yiu Pui
Mr. Poon Tak Ching
Mr. Pang Cheung Wai, Thomas, GBS, JP

The brief biographical details of and relationship between the existing Directors are set out in the paragraph headed "Biographical Details of Directors and Senior Management" on pages 63 to 66. Ms. Lin Hing Lei and Mr. Lin Hing Lung are the daughter and son of Ms. Ko Sau Mee. And Ms. Lin Hing Lei is the sister of Mr. Lin Hing Lung. Save as disclosed above, there are no other relationships (including financial, business, family or other material/relevant relationships among the members of the Board).

CORPORATE GOVERNANCE REPORT

Appointment and Re-election of Directors

All Directors are appointed for specific terms. Ms. Ko Sau Mee, Ms. Lin Hing Lei, Mr. Lin Hing Lung and Mr. Yang Xiaoye have entered into a service agreement with the Company for a term of 3 years commencing from 21 June 2019 and will continue thereafter. Mr. Lee Yiu Pui, Mr. Poon Tak Ching and Mr. Pang Cheung Wai, Thomas have entered into a letter of appointment with the Company for a term of 1 year commencing from 21 June 2019 and will continue thereafter.

The Company has adopted "Directors Nomination Procedures" as written guidelines in providing formal, considered and transparent procedures to the Board for evaluating and selecting candidates for directorships. An external recruitment agency may be engaged to carry out the recruitment and selection process as necessary. Besides, the procedures and process of appointment, re-election and removal of Directors are laid down in the articles of association of the Company (the "Articles"). According to the Articles, all Directors are subject to retirement by rotation at least once every three years and are eligible for re-election at the Company's annual general meeting (the "AGM"). Any new director appointed by the Board to fill a casual vacancy shall submit himself/herself for re-election by the Shareholders at the first general meeting after his/her appointment and any new director appointed by the Board as an addition to the Board shall submit himself/herself for re-election by the Shareholders at the next AGM.

In accordance with the Articles, Ms. Ko Sau Mee, Mr. Yang Xiaoye and Mr. Lee Yiu Pui shall retire and, being eligible, offer themselves for re-election at the forthcoming AGM to be held on 22 May 2026. The Board and the nomination committee of the Company recommend their re-appointments. The Company's circular, sent together with this annual report, contains detailed information of the three Directors as required by the Listing Rules.

Directors' Training

All Directors confirmed that they had complied with the CG Code during the Reporting Period. All Directors had participated in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

A record of the Directors' participation in various continuous professional development program is kept with the Company. The external course the Directors had participated was about Guidance for Boards and Directors and updates on the Listing Rules. A summary of the Directors' participation in training and continuous professional development during the year ended 31 December 2025 according to the records provided by the Directors is as follows:

Name of Directors	1.Board and Director Responsibilities	2.Compliance with Listing Rules and Hong Kong Laws	3.Corporate Governance and ESG	4.Risk Management and Internal Controls	5.Industry and Business Updates	Total Hours
Executive Directors						
Ms. Ko Sau Mee (Chairlady and Chief Executive)	2*	2#	2*	2^	2^	10
Ms. Lin Hing Lei	2*	2#	2*	2^	2^	10
Mr. Lin Hing Lung	2*	2#	2*	2^	2^	10
Mr. Yang Xiaoye	2*	2#	2*	2^	2^	10
Independent Non-executive Directors						
Mr. Lee Yiu Pui	2*	2#	2*	2^	2^	10
Mr. Poon Tak Ching	2*	2#	2*	2^	2^	10
Mr. Pang Cheung Wai, Thomas	2*	2#	2*	2^	2^	10

* Internal Training
\# External Training
^ Self-study

(Training has been provided by BMI Professional Training Centre Limited)

CORPORATE GOVERNANCE REPORT

UPDATE ON DIRECTOR'S INFORMATION

There has been no change to the information of the Directors pursuant to Rule 13.51B(1) of the Listing Rules.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy. The Company seeks to achieve board diversity through the consideration of a number of factors in the Board members' selection process, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

During the Reporting Period, the Company has a solid slate of Directors with diverse perspectives and varied educational background and expertise made-up, from extensive knowledge of the manufacturing industry, experience in international trade, finance and corporate management, to professional qualifications in the legal and accounting fields. Each Director had accumulated experience in his/her respective field of expertise, all of whom are anchored by the common trait of having a natural aptitude and singular drive for the industry so as to bring sustainable growth to the Company.

In respect of the gender diversity of the Board, as at the date of this report, 5 Directors are male and 2 Directors are female. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance, and sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. It is expected that the ratio of female Directors will reach more than 25% in the following years. The Company will achieve this goal through active nomination of suitable candidates with no gender limitation to be newly appointed Directors in the next few years.

Moreover, the current gender ratio of the senior management is 1 male per 2 females and the current gender ratio of the company workforce (excluding senior management) is 218 males per 241 females, which has compared with 227 males per 241 females of past year. The Company has already achieved gender diversity and will continue focusing on the area because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the company, which include market insight, creativity and innovation, and improved problem-solving. Men's and women's different experiences may provide insights into the different needs of male and female customers. Further, men and women may have different cognitive abilities, such as men's proficiency in mathematics and women's proficiency in verbal and interpersonal skills. Therefore, a mix of cognitive abilities in a gender diverse team may enhance the team's overall creativity and innovation as proved by research. Moreover, a gender diverse team produces high quality decisions. Although there may be some mitigating circumstances where gender diversity can be very hard to achieve (for instance, male workers are more commonly seen regarding physical labour and female workers are more often seen during psychological consultation), the Company will keep focusing on the workforce gender diversity to maintain its current strength as well as to further improve its competitiveness in the future.

CORPORATE GOVERNANCE REPORT

The following table further illustrates the diversity of the Board members as of the date of this report:

Name of Directors	Account and Finance Industry	Corporate Governance Industry	Business Development; Business Consultation and Advisory; Business Management
Executive Directors			
Ms. Ko Sau Mee (Chairlady and Chief Executive)			✓
Ms. Lin Hing Lei			✓
Mr. Lin Hing Lung			✓
Mr. Yang Xiaoye			✓
Independent Non-executive Directors			
Mr. Lee Yiu Pui		✓	
Mr. Poon Tak Ching	✓		
Mr. Pang Cheung Wai, Thomas		✓	

MECHANISMS TO ENSURE INDEPENDENT VIEWS

The Company makes certain that the Board has access to independent views and input through the mechanisms listed below:

1. The Nomination Committee should review the Board composition and the independence of the independent non-executive Directors annually, in particular the portion of the independent non-executive Directors and the independence of the independent non-executive Director who has served for more than nine years.

2. A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the independent non-executive Directors in relation to his/her independence to the Company. The Company considers all its independent non-executive Directors to be independent.

3. In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also Directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders, would abstain from voting in the relevant Board resolutions on the transactions with the controlling shareholders and/or its associates.

4. The chairman of the Board shall meet with independent non-executive Directors at least once annually.

5. All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company's policy. The mechanisms to ensure independent views are reviewed by the Nomination Committee for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, and their contribution and access to external independent professional advice.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE REVIEW

The Company has implemented regular evaluation of the performance and effectiveness of the Board once every two years in the form of a questionnaire to all Directors individually. Each Director is invited to provide his/her views on the performance of the Board and any suggestions for improving the board process. The results of the evaluation are reviewed by the Nomination Committee and submitted to the Board.

A board performance review has been conducted for the year ended 31 December 2025. Based on the evaluation conducted, the Directors were satisfied with the performance of the Board and considered the Board continued to operate effectively.

NOMINATION POLICY

The Board has adopted the nomination policy (the "Nomination Policy") which sets out the nomination criteria and procedures for the Company to select candidate(s) for possible inclusion in the Board. The Nomination Policy could assist the Company to achieve board diversity in the Company and enhance the effectiveness of the Board and its corporate governance standard.

When assessing the suitability of a candidate, factors such as the qualifications, skills, integrity and experience will be taken into consideration as a whole. In the case of independent non-executive Directors, they must further satisfy the independence criteria set out within Rule 3.13 of the Listing Rules. Since the selection of candidates should ensure that diversity remains a central feature of the Board, a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, or professional experience would be considered.

To nominate director candidates, candidates would be identified by various methods and evaluated based on the approved selection criteria. Shortlisted candidates would be interviewed and their profiles would be reviewed, before making recommendations to the Board on the selected candidates.

The Nomination Policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors' resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The Nomination Policy will be reviewed on a regular basis.

Board Meeting and Procedures

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit and may determine the quorum necessary for the transaction of business. An AGM and an extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 days' notice in writing, and a meeting of the Company other than an AGM or an extraordinary general meeting for the passing of a special resolution shall be called by at least 14 days' notice in writing. A meeting of the Board or any committee of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting.

When a Director and the enterprise(s) involved in a proposal of a Board meeting have connected relations, such Director shall not exercise his/her voting rights on such proposal nor shall he/she exercise any voting rights on behalf of other Directors.

CORPORATE GOVERNANCE REPORT

Set out below are details of the attendance record of each Director at the Board and committee meetings of the Company held during the Reporting Period:

	Attendance/Number of Meetings Held				
Names of Directors	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
Executive Directors					
Ms. Ko Sau Mee	*4/4	—	1/1	1/1	1/1
Ms. Lin Hing Lei	4/4	—	—	—	1/1
Mr. Lin Hing Lung	4/4	—	—	—	1/1
Mr. Yang Xiaoye	4/4	—	—	—	1/1
Independent non-executive Directors					
Mr. Lee Yiu Pui	4/4	2/2	1/1	*1/1	1/1
Mr. Poon Tak Ching	4/4	*2/2	1/1	1/1	1/1
Mr. Pang Cheung Wai, Thomas, GBS, JP	4/4	2/2	*1/1	1/1	1/1

Remark:

* *representing the chairperson of the Board or the committees*

The Board has established three committees, namely, the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee"), for overseeing particular aspects of the Company's affairs. All committees have been established with defined written terms of reference, which were posted on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.botny.com). All committees should report to the Board on their decisions or recommendations made.

All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

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 auditor, 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.

During the Reporting Period, the Audit Committee held two meetings for discussion on issues arising from the audit and financial reporting matters.

CORPORATE GOVERNANCE REPORT

Full minutes of the Audit Committee meetings are kept by the Company Secretary. Draft and final versions of the minutes of the Audit Committee meetings are sent to all members of the Audit Committee for comments and approval and all decisions of the Audit Committee are reported to the Board subject to applicable restriction.

The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The external auditor was invited to attend the Audit Committee meeting held during the year to discuss with the Audit Committee members on issues arising from the audit and financial reporting matters. The chairman of the Audit Committee provided the Board with a briefing on the significant issues after the Audit Committee meeting. There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor.

Remuneration Committee

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 provision E.1.2(a) to (i) 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.

During the Reporting Period, the Remuneration Committee held one meeting to review and discuss the remuneration policy of the Group and the remuneration packages of the Directors and reviewed and approved matters relating to share schemes under Chapter 17 of the Listing Rules.

Full minutes of the Remuneration Committee meeting are kept by the Company Secretary. Draft and final versions of the minutes of the Remuneration Committee meetings are sent to all members of the Remuneration Committee for comments and approval and all decisions of the Remuneration Committee are reported to the Board subject to applicable restriction.

The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2025 is set out below:

Remuneration bands	Number of persons
Nil to HK$200,000	2
HK$200,001 to HK$300,000	1

Nomination Committee

The Board would follow a set of formal, considered and transparent procedures for the appointment of new directors to the Board. The appointment of a new director has been a collective decision of the Board, taking into consideration the candidate's qualification, expertise, experience, integrity and commitment to his/her responsibilities within the Group. The Nomination Committee assesses each Director's effectiveness, integrity, and independence, considering their contributions to Board discussions and decisions. This ongoing evaluation process ensures that the Board is composed of qualified individuals capable of fulfilling their responsibilities and driving the Company's success. In addition, all candidates to be selected and appointed as a director must be able to meet the standards set out in Rules 3.08 and 3.09 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

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 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.

During the Reporting Period, the Nomination Committee held one meeting to review the current Directors' structure and to monitor the overall adequacy of the Board's composition.

Full minutes of the Nomination Committee meetings are kept by the Company Secretary. Draft and final versions of the minutes of the Nomination Committee meetings are sent to all members of the Nomination Committee for comments and approval and all decisions of the Nomination Committee are reported to the Board subject to applicable restriction.

The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE FUNCTION

The Board does not have a corporate governance committee. The functions that would be carried out by a corporate governance committee are performed by the Board as a whole and are as follows:

1. to develop and review the Company's policies and practices on corporate governance;

2. to review and monitor the training and continuous professional development of Directors and senior management;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The corporate governance policy is formulated with an emphasis on the Board's quality, effective risk management and internal control, stringent disclosure practices and transparency and accountability to all Shareholders. The Board strives to comply with the code provisions and reviews its corporate governance policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of our operations with applicable laws and regulations.

EXTERNAL AUDITOR'S REMUNERATION

During the Reporting Period, the Company engaged Ernst & Young as its external auditor for financial reporting, while the Company engaged the external PRC local auditor for the subsidiaries statutory audit services.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the fees payable to Ernst & Young and PRC local auditor in respect of its statutory audit services, non-statutory audit services and non-audit services provided to the Company were as follows:

	2025 HK$000
Statutory audit services	960
Non-statutory audit services	655
Non-audit services*	185

* Significant non-audit service assignments include business consulting fee (HK$185,000 was paid).

DELEGATION BY THE BOARD

In general, the Board oversees the Company's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group's strategic objectives. The Board delegates the implementation of strategies and day-to-day operation of the Group to the management.

COMPANY SECRETARY

Being the Company Secretary, Mr. Lee Kam Fai plays an important role in supporting the Board by ensuring good information flow within the Board and that the Board policies and procedures are followed. Mr. Lee Kam Fai is responsible for advising the Board on corporate governance matters and should also facilitate induction and professional development of the Directors.

During the Reporting Period, Mr. Lee Kam Fai has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting.

Shareholders to Convene an Extraordinary General Meeting

Pursuant to article 64 of the Articles, extraordinary general meetings shall be convened on the requisition of one or more Shareholders, at the date of deposit of the requisition, holding not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisition(s) himself (themselves) may do so in the same manner.

Putting Enquiries by Shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

CORPORATE GOVERNANCE REPORT

Procedures for Putting Forward Proposals by Shareholders at Shareholders' Meetings

Shareholders are requested to follow article 64 of the Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Shareholders to convene an extraordinary general meeting".

Pursuant to article 113 of the Articles, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office of the Company or at the Hong Kong branch share registrar and transfer office of the Company no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

The procedures for the Shareholders to propose a person for election as a Director are posted on the website of the Company. Shareholders may refer to the above procedures for putting forward any other proposals at general meetings.

Voting by Poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions to be set out in the notice of AGM will be voted by poll.

DIVIDEND POLICY

The Board has adopted the dividend policy (the "Dividend Policy") which sets out the appropriate procedure on declaring and recommending the dividend payment of the Company. The Company takes priority to distributing dividends in cash and shares its profits with the Shareholders. The dividend distribution decision of the Company will depend on, among others, the financial results, the current and future operations, liquidity and capital requirements, financial condition and other factors as the Board may deem relevant. The Board may also declare special dividends from time to time. The Dividend Policy will be reviewed on a regular basis. The Board makes all dividend decisions in accordance with those principles in the Company's dividend policy.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to the Shareholders. Information of the Company is disseminated to the Shareholders in the following manner:

- Delivery of annual and interim results and reports to all Shareholders;
- Publication of announcements on the annual and interim results on the website of the Stock Exchange, and issue of other announcements and Shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- The general meeting of the Company is also an effective communication channel between the Board and the Shareholders.

Shareholders' Communication Policy

Purpose

The Company recognises the importance of providing current and relevant information to its shareholders (the "Shareholders"). This shareholders' communication policy (the "Shareholders' Communication Policy") aims to set out the provisions with the objective to ensure that the Shareholders and potential investors are provided with equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company.

CORPORATE GOVERNANCE REPORT

General Policy

The Board shall maintain an on-going dialogue with Shareholders and will regularly review the Shareholders' Communication Policy to ensure its effectiveness.

Information is communicated to the Shareholders as well as the stakeholders through periodic disclosure through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and other corporate publications on the website of the Stock Exchange and corporate communications, on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at http://www.botny.com.

Effective and timely dissemination of information to Shareholders shall be ensured at all times. Any questions, requests and comments can be addressed to the Company by mail to Unit G, 20/F., Golden Sun Centre, Nos. 59/67 Bonham Strand West, Sheung Wan, Hong Kong or through the Company's share registrar.

The Company believes that communication with Shareholders by electronic means, particularly through its website, is an efficient way to distribute information in a timely and convenient manner. Shareholders are encouraged to access to the corporate communications posted on the Company's website to help reduce the quantity of printed copies and hence reduce the impact on the environment.

The Company's website will be updated with material posted to the website of the Stock Exchange immediately thereafter. Such material includes but not limited to financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make any query in respect of the Company.

The Company has reviewed the Shareholders' Communication Policy conducted for the year ended 31 December 2025 and considered that the Shareholders' Communication Policy has been well implemented and effective.

Means of Receipt and Language of Corporate Communications

This annual report, in both English and Chinese versions, is now available in printed form, and in accessible format on the website of the Company at www.botny.com.

For Shareholders and non-registered shareholders of the Company who:

(i) have elected to receive or are deemed to have consented to receive this annual report by electronic means on the Company's website, or

(ii) have difficulty in receiving or gaining access to this annual report on the Company's website,

they may obtain printed copies free of charge by sending a written request to the Company or the branch share registrar of the Company in Hong Kong (the "Branch Share Registrar"), Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.

If Shareholders and non-registered shareholders of the Company wish to change their elected means of receipt and/or language of all future corporate communications of the Company, they may at any time notify the Company by prior notice of at least seven days in writing to the Branch Share Registrar at the address stated above or by e-mail to is-ecom@vistra.com or by completing and returning the change request form.

CORPORATE GOVERNANCE REPORT

CONSTITUTIONAL DOCUMENTS

There were no significant changes in the Company's constitutional documents during the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has reviewed the effectiveness of the risk management and internal control systems of the Group and its subsidiaries at least once during the Reporting Period, in accordance with Code Provision D.2.1 of the Corporate Governance Code. Furthermore, the internal policies and procedures in areas such as corporate operations, finance, and risk monitoring have been improved based on this standardized framework.

Maintaining sound and healthy risk management and internal control systems are the keys to fulfil the business objectives and long-term sustainable growth of the Group. The Board has recognized they are generally responsible for the assessment and determination on the nature and degree of risks which are acceptable by the Group for meeting its strategic objectives, ensuring the Group to establish and maintain proper and effective risk management and internal control systems. (i) The Board acknowledges its overall responsibility for the risk management and internal control systems of the Company; and (ii) The Board confirms that the risk management and internal control systems of the Company are appropriate and effective in achieving the purposes set out in Principle D.2 of the Corporate Governance Code, namely managing risks to achieve strategic objectives and providing reasonable and not absolute assurance against material misstatement or loss.

RISK CATEGORIES

The business development, financial conditions, operating results or prospect of the Group might be affected by risks and uncertainties, leading to a result probably deviated from the expected or past performance. Certain major risks which have impacts on the Group are listed below.

Strategic risks

The financial risks encountered by the Group include, amongst others, those arising from the mismatch of departmental human resources allocation, division of roles and responsibilities, ineffective motivation mechanism for the management, accommodation of the core business of the Group with China's macro policies on the industry and environmental protection as well as whether a good relationship is maintained between the government and media respectively.

In view of the above risks, the Group has implemented appropriate departmental human resources allocation, definite division of roles and responsibilities and effective motivation and disciplinary mechanisms for the management. Leveraging the policy of China on promoting the development of metallic packaging, the Group has actively enhanced its innovation and competitiveness, maintained good relationship with the governments of various levels and implemented crisis communication mechanism.

Financial Risks

The strategic risks encountered by the Group include, amongst others, those involved in fund misappropriation arising from poor management in fund activities, undisciplined operation arising from unsound or informal preparation, implementation and management of budgets, intended or unintended false information existed in financial statements, the compliance of those statements with accounting rules and standards, uncertainties in taxation management and tax payment, inadequate assessment of customers' credit.

In view of the above risks, the Group has strengthened the accounting system control on its working capital, prepared the overall annual budget, launch the accountability system for budget implementation, budget appraisal system, sales management system, review, approval and oversight system for tax payment. Meanwhile, the Group has determined its financing plans in connection with those from bankers, prepared monthly fund budget to spread the cash-flow risks.

CORPORATE GOVERNANCE REPORT

Operating risks

The operating risks encountered by the Group include, amongst others, those arising from whether safety and environmental protection standards are met by the production of our products, management of human resources, sales, supply chains and information system, insufficient innovation, inspection and verification of technologies and products.

In view of the above risks, the Group has focused on the control and monitoring of dust, high temperature and chemical hazard, discharged sewage according to the total amount and concentration allowed under the pollutant discharge license, formulated the status-quo assessment on energy conservation and emission reduction as well as medium and long term planning, timely updated the staff handbook and implemented applicable labor laws and regulations, introduced advanced technologies and talents, solved the innovation problems through technological exchange and cooperation. Meanwhile, the Group strived to explore new customers and new sales channels, assess the suppliers regularly, inspect regularly and maintain the facilities of the information system and provide staff training.

Legal risks

The legal risks encountered by the Group include, amongst others, those arising from the physical or existing default operations, legal disputes, default behaviors, intellectual property and human rights protection.

In view of the above risks, the Group has implemented the measures such as the contract review and approval procedure with the routine support of our permanent legal advisor, regular third-party audit to monitor compliance so as to mitigate the impact of such risks on the Group.

ANNUAL CONFIRMATION

The Board has an internal audit function and has been continuing to monitor the risk management and internal control systems of the Group, and has made an annual review, through the Audit Committee, on the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2025.

Meanwhile, the Company commissioned a third-party professional body to make an internal audit on the effectiveness of the design and the compliance regarding the implementation of the internal control systems relating to its risk management, control and governance practices. The Audit Committee under the Board has made an annual review on the effectiveness of the risk management and internal control systems for the year ended 31 December 2025, and reviewed the results of assessment on the internal control systems made by the third party. The Board considers the system of the Group is effective and adequate accordingly.

Any internal control system has its own restrictions; therefore, the internal control systems of the Group are established to provide reasonable, but not absolute, assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

The Board approved and adopted an inside information policy and procedures for the handling and dissemination of inside information. The insider information policy provide the guidelines to the Directors, management and relevant staff (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. The procedures include, among others, regularly remind the Directors, management and relevant staff about the compliance with the securities dealing restrictions as set out in the Model Code and the notification of the 60-day and 30-day blackout period applicable to the publication of the annual and interim results of the Company respectively.

(i) The Company has conducted risk assessments (including environmental, social, and governance risks); and (ii) There were no significant changes to the risk management and internal control systems during the reporting period. The Company continuously enhances its risk management and internal control framework and capabilities, and integrates them into daily operations to support long-term business growth and sustainable development.

The Board's conclusion on the appropriateness and effectiveness of the risk management and internal control systems is supported and corroborated by multiple sources, including: confirmation from management through periodic assessments and assurances to the Board regarding the operation of internal controls; confirmation from the relevant Board committee responsible for risk management and internal controls (i.e., the Audit Committee) regarding the effectiveness of its supervisory functions; and confirmation from the internal audit department on the effectiveness of its functions, further corroborating the effectiveness of internal controls over financial reporting.

During the reporting period, the Board, through the Audit Committee, assessed the effectiveness of the Company's risk management and internal control systems. The scope of the review included financial, operational, and compliance controls; information disclosure procedures and internal controls; and the adequacy of resources and staff training for the internal audit function. After a detailed review, no material control failures or weaknesses (including previously reported but unresolved issues) were identified during the reporting period. Accordingly, no remedial actions are currently required or planned. The review results indicate that, for the year ended 31 December 2025, the risk management and internal control systems of the Company are effective and adequate, with no issues requiring significant attention in financial, operational, or compliance controls. The Board conducts such a review annually.

All Directors and those employees who could have access to, and monitor, the information of the Group are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Introduction

Precious Dragon Technology Holdings Limited (the "Company" together with its subsidiaries, collectively, "we", "us", "our" or the "Group") is pleased to present our annual Environmental, Social and Governance Report (the "Report") for the year ended 31 December 2025. This Report provides an overview of the Group's approach to managing key operational challenges, including environmental, social and governance ("ESG") and climate-related issues.

The Board of Directors (the "Board") has overall responsibility for the Group's ESG strategy and reporting. The Board is tasked with evaluating and determining the Group's ESG and climate-related risks, while ensuring the implementation of effective ESG and climate-related risk management and internal control systems. The management provides regular updates to the Board on relevant ESG and climate-related matters. The Group has also conducted an annual review on the effectiveness of the Environmental, Social and Governance Report for the year ended 31 December 2025.

Reporting Period

The Report outlined the Group's initiative and performance on the environmental and social aspects for the period from 1 January 2025 to 31 December 2025 (the "Reporting Period").

Reporting Scope

The Report covers all subsidiaries of the Group in the People's Republic of China (the "PRC" or "Chinese Mainland") and Thailand with core business that 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, paint and coating, winter and summer specials and air-fresheners, as well as personal care products and other products including household products. The reporting scope remains unchanged from the previous year.

The Group will continue to assess the impacts of its business on significant ESG aspects and incorporate the findings into this Report.

Reporting Principle

This Report was prepared in accordance with the Environmental, Social, and Governance Reporting Code ("ESG Reporting Code") outlined in Appendix C2 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Hong Kong Exchanges and Clearing Limited ("HKEX"). The Group has complied with the mandatory disclosure requirements and the "comply or explain" provisions specified in the ESG Reporting Code. This Report was prepared in both English and Chinese and has been uploaded to HKEX and the Company's website. In the event of any discrepancies between the two versions, the Chinese version takes precedence. For further details on our corporate governance, please refer to the "Corporate Governance Report" of the annual report of the Company for the year ended 31 December 2025.

The Report has complied with the following reporting principles as the basis:

Materiality

- The Group identifies relevant ESG issues through stakeholder engagement and materiality assessment. For details, please refer to the section titled "Stakeholder Engagement" and "Materiality Assessment".

Quantitative

- The Group ensures measurable KPI disclosures by primarily following the calculation standards in the HKEX's 'How to Prepare an ESG Report' (Appendices 2 and 3), providing methodologies and conversion factors where feasible.

Balance

- The Group strives to present information in avoiding selections, omissions or presentation formats that could inappropriately influence the readers' decisions or judgment.

Consistency

- The Group is committed to maintaining consistent methodologies to ensure meaningful comparisons. All changes in methodologies, KPIs, or other relevant factors affecting comparability will be disclosed when necessary.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

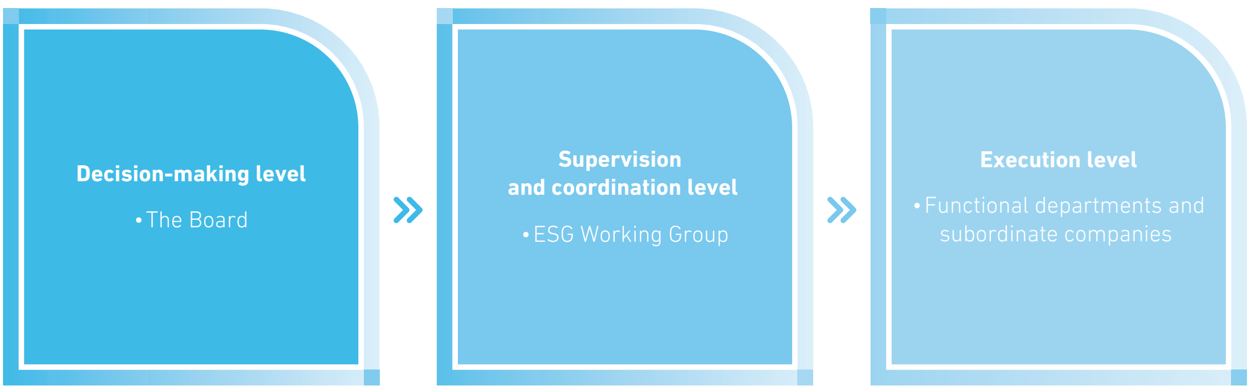
The information contained herein is sourced from official documents and statistics of the Group, as well as the combined monitoring, management and operations information provided by the subsidiaries in accordance with the Group's related procedures. A complete content index is appended to the last part hereof for readers' quick reference.

Contact Information

The Group welcomes your feedback on the Report for our sustainability initiatives. Please contact us by email at esg@botny.com.

SUSTAINABILITY GOVERNANCE

The Group has established an ESG framework to promote and implement the Group's sustainability strategy. To ensure effective ESG and climate-related management, our ESG governance structure, composed of the Board, ESG Working Group, respective functional departments and subordinate companies, was established to promote ESG and climate-related management and disclosure. The Board, the ultimate decision-making body of the Group, is responsible for the Group's ESG and climate-related governance. The Board steers the Group's sustainable development forward and bears the overall responsibility of its ESG and climate-related efforts. In the future, the Board will continue to strengthen ESG and climate-related risk management and improve the ESG working mechanism and regulatory processes to enhance its ESG governance standard. The ESG Working Group, serving on the supervision and coordination level, is responsible for implementing the ESG governance strategy, coordinating ESG and climate-related matters, compiling ESG reports, and reporting relevant progress to the Board regularly. Each functional department and subordinate company, serving on the execution level, is responsible for rolling out initiatives set up by the ESG Working Group and reporting relevant work progress and data.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

The Group values the engagement of our stakeholders. Whether they are our employees, customers, suppliers, or other stakeholders, they have a significant impact on the success of our business or activities. We identified the key stakeholders of our business operations. We interact with our stakeholders regularly through various communication channels. The following table illustrates the issues of concern of our major stakeholders and the ways we communicate with stakeholders.

Stakeholder	Stakeholders' concern	Communication channels	Engagement details
Government	• To comply with the laws • Proper tax payment • Ensure production safety, environmental protection and social responsibility • Promote regional economic development and employment	• On-site inspections and checks • Research and discussion through work conferences, work reports preparation and submission for approval	• Operated, managed and paid taxes according to laws and regulations, strengthened safety management; accepted the government's supervision, inspection and evaluation, and actively undertook social responsibilities.
Shareholders and Investors	• Return on the investment • Stable operation • Low operating risk • Information disclosure and transparency • Protection of interests and fair treatment of shareholders • True, accurate and timely reporting	• Annual general meeting and other shareholder meetings • Interim report, annual report, announcements • Company website • Meeting with investors • Roadshow • Site visit	• Issued notices of general meeting and proposed resolutions according to regulations; disclosed the Company's information by publishing announcements/ circulars, interim report and annual report in the year; carried out different forms of investor activities intending to improve investors' recognition; held results briefing; disclosed company contact details on website and in reports; and ensured all communication channels are available and effective.
Employees	• Safeguard the rights and interests of employees • Salary and welfare • Working environment • Career development opportunities • Self-actualization • Health and safety	• Labour union • Feedback box • Directors' WeChat • Policies and procedures • Training, seminars, and briefing sessions • Team activities	• Provided a healthy and safe working environment; established a labour union; established policies and procedures according to local labour law; developed communication channels with management; developed a fair mechanism for promotion; cared for employees by helping those in need and organizing employee activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder	Stakeholders' concern	Communication channels	Engagement details
Customers	• Assurance on quality and quantity of product • Stable relationship • Group reputation and brand image • Market demand	• Site visit • Exhibition • Email and customer service hotline • Feedback forms • Regular meeting	• Organised marketing activities, site visit and exhibition.
Suppliers/Partners	• Long-term partnership • Honest cooperation • Fair, open • Information resources sharing • Timely payment	• Strategic co-operation • Regular meeting • Tendering process	• Invited tenders publicly to select best suppliers and contractors, performed contracts according to agreements, enhanced daily communication, and established long-term cooperation with quality suppliers and contractors.
Peer/Industry associations	• Experience sharing • Corporations • Fair competition • Focus on the adoption of the latest technology	• Industry conference • Site visit • Website • Industry magazine	• Stuck to fair play, cooperated with peers to achieve win-win situations, shared experiences and attended seminars, exhibitions and meetings of the industry to promote sustainable development of the industry.
Financial Institution	• Compliance with the law and regulations • Disclosure of information	• Consulting • Information disclosure • Reports	• Complied with regulatory requirements strictly, disclosed and reported true information in a timely and accurate manner according to the law.
Bank	• Timely repayment of loan • Honest cooperation • Stable operation	• Regular meeting • Site visit	• Paid interest according to the instalment schedule and cooperated with the bank for inspection and monitoring.
Public and communities	• Community involvement including local employment opportunity • Development of the local economy • Environmental protection • Subsidy and assistance	• Volunteering • Charity and social investment • Annual report	• Gave priority to local people seeking jobs from the Company so as to promote community building and development; built roads, protected the communities' ecological environment, and provided timely compensation and assistance; provided volunteer service, kept communication channels open between the Company and the communities and villagers, co-sponsored community activities to promote the building up of harmonious communities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Group identifies issues for disclosure in the Report through an internal materiality assessment. By considering the dependence and influence of the stakeholders on the Group and the availability of resources of the Group, the management has identified key stakeholders. They have expressed their opinions and recommendations on issues related to the Group's operation via the surveys. After the consolidation of the internal assessment and survey results, the Group concluded the most important issues during the Reporting Period:

Environmental	• Raw Material Consumption • Environment and Natural Resources • Climate Change
Social	• Employment Measures • Diversity and Equal Opportunities • Anti-discrimination • Occupational Health and Safety • Development and Training • Child Labour and Forced Labour • Customer Data and Privacy Protection • Anti-corruption

ENVIRONMENTAL ASPECTS

Environmental Management

ASPECT A1: EMISSIONS

To demonstrate commitment to sustainable development and compliance with laws and regulations relating to environmental protection, the Group endeavours to minimise the environmental impact of its business activities and maintain green operations and green office practices.

Our Group's operations are subject to certain environmental requirements pursuant to the laws in the PRC and Thailand, including but not limited to the Environmental Protection Law of the PRC*, the Water Pollution Prevention and Control Law of the PRC*, the Guangdong Province Work Programme on the Comprehensive Treatment and Emission Reduction on Volatile Organic Compounds (2018-2020)*, and the Enhancement and Conservation of National Environmental Quality Act, B.E. 2535 of Thailand. The Group has been in strict compliance with the above relevant laws and regulations in the PRC and Thailand. We endeavour to minimise any adverse impact on the environment resulting from our business activities. In order to comply with the applicable environmental protection laws, we have implemented a series of key measures and procedures concerning mainly air pollutants, greenhouse gas ("GHG") emission and waste control.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, which would have a significant impact on the Group.

* For identification purpose only

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Air Pollutants

The Group's air pollutant emissions are primarily from vehicles and fuel used by factories and offices. Besides, the content of our products includes propellant, which is a liquefied or compressed gas within aerosol products that releases content with predetermined forms through a valve. The propellant we use in our production can be broadly classified into volatile organic compounds ("VOCs") (such as dimethyl ether ("DME") and liquefied petroleum gas) and non-VOCs (such as carbon dioxide, nitrogen and compressed air) categories, and we mainly use DME and liquefied petroleum gas as propellant for our products. Our production involves the use and storage of such propellant gases, which are flammable and, to a certain extent, environmentally hazardous. In determining the type of propellant used in our products, we will take into consideration the functional requirement of the relevant products, the costs of purchase, the regulatory requirements imposed by the governmental authorities and the overall safety of our products. We are prone to use propellants that are more environmentally friendly and cost-efficient.

In addition, in order to improve exhaust gas emissions, most models of our fleet have adopted the latest China VI Emission Standards 2020 for the year.

GHG Emissions

In response to climate change, we have been committed to taking proactive initiatives to gradually formulate and adopt green policies so as to reduce GHG emissions generated from business operations. We have implemented the energy conservation measures described in the section headed "A2: Use of Resources". In 2025, the Group's GHG emissions were mainly from Scope 2, representing 86.4% of the total emissions. For more detailed information and KPIs on our GHG emissions and climate change disclosures, please refer to the section entitled "Climate Change" and "Appendix I: Overview of Key Performance Indicators".

Waste Management

Our hazardous waste consists mainly of organic solvents used during the production process. Non-hazardous waste mainly includes packaging, paper scraps and household waste. They are separately stored and handled with the ledger for record. As our production process involves the use and storage of hazardous materials, it is always our top concern to comply with the applicable environmental laws and regulations in the PRC and Thailand and avoid the occurrence of any environmental contamination event during our production activities. As a result, we continuously observe the laws and regulations in relation to environmental protection as amended from time to time in the PRC and Thailand. In practice, in order to properly control the disposal of our production wastes, we have formulated detailed environmental protection rules and guidance for our staff to follow during production. In addition, to ensure that the quantities and rates of our production discharge are in compliance with the applicable environmental laws and regulations, we engage qualified third-party pollutant supervision companies to examine, monitor and provide advice on our pollutant discharge conditions for each financial year. To protect the environment, we have formulated relevant policies with respect to waste management to minimise the waste of paper and other resources.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Highlight of other measures for the reduction of emissions

Air pollutant and GHG

- Providing crew buses for collective transportation to reduce the use of limousine buses and private cars
- Passing the examination of environmental department and accomplishing the "One Enterprise One Policy for VOCs Integrated Management Program"
- Renovating exhaust gas and dust collecting channels in production workshops to reduce emission from the hazardous substances effectively

Wastewater

- Continuously optimizing and upgrading sewage treatment

Domestic and office wastes

- Construction of a septic tank
- Encouraging staff to reduce waste. For example: reusing paper and approving documents via electronic approval system to reduce paper consumption

Green production model

- Actively researching and developing environmentally friendly formulations, such as products with water-based formulations and low VOCs formulations
- Promoting clean production and upgrading machinery
- Establishing an environmental management system for the production of aerosol and non-aerosol products in compliance with ISO 14001 and attained relevant certification
- Establishing quality management system to be recognised by world-renowned corporate customers
- Introducing smart equipment (smart examination, smart packaging and conveying system) in workshops to conserve raw materials for production and labour costs

Noise

- Eliminating old equipment in the production line and investing in equipment with insulating effect to reduce noises

In view of our continuous effort, we target to maintain zero substantial non-compliance cases in relation to the emission of air pollutants, GHG and waste in the coming five years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ASPECT A2: USE OF RESOURCES

The Group places high priority on the efficient use of resources. The major resources used by the Group are electricity and water. The Group strives to improve the efficient use of natural resources, such as minimising waste/emissions and implementing an effective recycling program. Practical measures are implemented as follows:

- Switching off lights and turning off unnecessary energy-consuming devices when staff leaves the office;
- Adopting LED lighting in some production workshops and offices;
- Using frequency conversion air compressor and air compressor heat recovery during some of our productions to reduce energy consumption;
- Utilising materials that facilitate clean production environment to effectively reduce the consumption of detergents and running water;
- Encouraging staff to bring their own cups to avoid using paper cups; and
- Improving product packaging design to reduce the consumption of carton materials.

In terms of water consumption, our water resources are mainly used in the production process and for the domestic use of our employees. All water is provided by a third-party water supplier, and the Group has not encountered any issues in sourcing water that is fit for purpose. All sewage produced is recycled and processed by a third-party qualified company, and domestic sewage is discharged after being processed by the Company's internal sewage treatment facilities to ensure compliance with relevant national and local discharge standards before discharge.

In terms of energy consumption, our energy consumption in 2025 remained broadly stable, showing a marginal decrease of approximately 0.3% compared to 2024. The energy consumption of the Group mainly comes from production machinery and vehicles, which includes the consumption of electricity, petrol, diesel, compressed natural gas and liquefied petroleum gas.

Looking forward, the Group will continue to monitor the use of resources, improve data collection and review our resource management and allocation system regularly in order to save energy, as well as increase water usage efficiency. In view of our continuous effort, we target to maintain zero substantial non-compliance cases in relation to the consumption of water and energy in the coming five years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES

The Group does not discharge pollutants to water and land directly on a large scale and therefore has little impact on the environment and seldom accesses natural resources directly. However, we still try our best to improve our waste management system, aiming to pursue the best practices in environmental protection. We put stress on the impact of the Group's business on the environment and natural resources. In addition to complying with environmental laws and regulations and properly protecting the natural environment, the Group also integrates the concept of environmental protection into our internal management and daily operations, striving to achieve the goal of environmental sustainability.

To actively promote environmental protection and efficient use of resources, the Group continuously monitors whether its business operations have any potential impact on the environment, and promotes green office and operating environments through the four basic principles of reduction, reuse, recycling and alternative use in order to minimize the impact of operations on the environment. In terms of waste management, we have engaged a qualified independent monitoring company to review, monitor and advise on our pollutant discharge in each financial year, so that we can fully understand and assess the impact of our operations on the environment and natural resources and take appropriate measures to protect the environment as soon as possible. We adopt green procurement strategies and the most practical technologies to protect natural resources, where applicable.

The Group raises staff's awareness on environmental issues through education and training, and enlists employees' support in improving the Group's performance, promotes environmental awareness amongst the customers, business partners and shareholders and supports community activities in relation to environmental protection and sustainability and evaluates regularly and monitors past and present business activities impacting upon health, safety and environmental matters. With the integration of policies mentioned in sections "A1: Emissions" and "A2: Use of Resources", the Group strives to minimise the impacts on the environment and natural resources.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CLIMATE CHANGE

The Group recognizes that climate change-related physical and transition risks are reshaping its operating environment. In response to China's "dual carbon" goals and the enhanced disclosure requirements of HKEX, the Group has developed several internal policies to mitigate climate-related impacts, reduce emissions, raise employee environmental awareness, and enhance overall resilience to climate-related consequences.

Governance

The responsibilities of the Board, the ESG Working Group, and the Company's departments are set out in the "Sustainability Governance" section of this Report. To ensure the Board's oversight capability, Board members include individuals with ESG knowledge and receive regular climate-related training. Climate issues are integrated into the overall governance processes, with a requirement for Board review at least once annually.

Strategy and Risk Assessment

Climate-related Risks Assessment

During the Reporting Period, the Group took further action by engaging professional consultants to conduct climate risk analysis. Drawing on peer benchmarking results, the Group performed a preliminary assessment of climate risks related to its business operations. In accordance with the HKEX Implementation Guidance and prevailing market practices, climate risks are categorized across three time horizons: short-term (immediate to less than 5 years), medium-term (5 to 25 years), and long-term (more than 25 years). The table below outlines the climate-related risks identified by the Group and their potential impacts:

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Affected Business	Time Horizon	Climate-related Risks Impacts on Business	Impact on Value Chain (Employee/Customers/Supplier/Insurance Company/Investor)	Strategies and Decisions
Transition Risk: Implementation of low-carbon policies or regulatory requirements, transition to a low-carbon economy, market volatility, and peer competition				
Overall company operations	Short to medium term	• Growing global attention to climate change, coupled with China's "dual carbon" targets and HKEX requirements for companies to provide more detailed and quantified ESG and climate-related disclosures. Insufficient disclosure may result in regulatory penalties and reputational damage. • Upstream suppliers' emission reduction investments may drive up raw material prices. • Optimizing manufacturing processes to meet downstream customers' green procurement standards may also increase manufacturing costs.	• Investors may incorporate climate performance into investment assessments, and declining ratings may affect investor confidence. • Insufficient disclosure may impact the Group's reputation. • Suppliers may face cost increases, while customers may face price increases.	• The Group will continue to enhance ESG governance frameworks and strengthen climate-related disclosure capabilities to align with evolving regulatory requirements. • The Group will actively engage with stakeholders across the value chain to collaboratively address transition challenges and explore sustainable development opportunities.
Physical Risk: Extreme weather events and natural disasters are more frequent and more intense				
Overall company operations	Short to long term	• Severe typhoons or rainstorms and resulting floods may damage plant equipment, cause power outages, force production line shutdowns, resulting in direct economic losses and maintenance costs. • Sustained high temperatures may increase the load and electricity expenditure of cooling systems. • Extreme weather may result in port closures or road blockages, affecting raw material delivery and finished product shipment.	• Employee commuting safety risks increase under extreme weather, while high-temperature work environments increase risks of heat stroke and work injuries. • Insurance companies may increase property insurance premiums or tighten underwriting terms due to increased claim risks. • Supply chain disruptions lead to delivery delays, affecting customer plans.	• The Group will continue to strengthen infrastructure resilience and implement comprehensive climate adaptation measures to safeguard operational continuity. • The Group will maintain proactive risk management approaches including regular assessments of physical climate risks and implementation of appropriate protective measures.

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As a result of the above risk management process, physical risk and transition risk arising from climate change may not bring significant impacts to the Group's business. As a supporter of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the Group has assessed the potential climate-related risks and identified the rising mean temperature and increasing severity and likelihood of extreme weather events such as typhoons and rainstorms as major physical risks impacting our daily operation.

To address climate-related risk, the Group has implemented various emergency response mechanisms and secured comprehensive insurance coverage against natural disasters such as fire and flooding. We also prioritize and regularly update operational risk controls, including measures to prevent leaks, corrosion, fires, explosions, static electricity, flooding, and overheating, in order to mitigate the impacts of extreme weather. Further information is available in "B2: Health and Safety". Additionally, the Group maintains company asset protection insurance and vehicle insurance to safeguard corporate assets in the event of damage caused by extreme weather conditions.

Climate-related Opportunities

While climate change poses risks to businesses, it also creates opportunities for corporate development. It motivates us to continuously innovate within our core operations, accelerate the transition to a low-carbon economic model, and maintain our competitive edge in the market. We are proactively exploring new avenues for growth across our business segments, actively identifying and seizing commercial opportunities arising from climate action. Our goal is to achieve a win-win outcome, advancing both environmental protection and business growth.

Climate Resilience

We conducted climate-related scenario analysis in 2025 to assess the resilience of our business model under different climate pathways, with the following inputs and results:

Scope

- Consistent with the reporting scope of this ESG Report

Scenarios Used

Name & Description	Network for Greening the Financial System ("**NGFS**") Current Policies (representing a pessimistic pathway) – This scenario assumes that only currently implemented policies are preserved, leading to high physical risks. NGFS Net Zero 2050 (representing an optimistic pathway) – This scenario limits global warming to 1.5˚C through stringent climate policies and innovation, reaching global net zero carbon dioxide emissions around 2050.
Rationale	• **Industry sector** - The NGFS framework is relevant across a broad spectrum of sectors, including the Group's operations. • **Types of risks to be assessed** - The scenarios developed take reference from NGFS, which covered the transition risk we assessed. • **Scenarios with high contrast** – The NGFS Current Policies and Net Zero 2050 scenarios are equivalent to >3 ˚C and <1.5 ˚C, respectively, as stated in the Paris Agreement. • **Time horizons determined and alignment to latest international agreements** - The scenarios selected provide time frames (Up to 2100) that align with our strategic planning time horizon (Up to 2050) and align with the Paris Agreement (Up to 2050).

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Time Horizons

Short-term	2030
Medium-term	2050

Assumptions

- The analysis was conducted in 2025 and expected the parameters (e.g. the greenhouse gas emissions and operating costs) will remain broadly comparable over the time horizons.

Qualitative Description

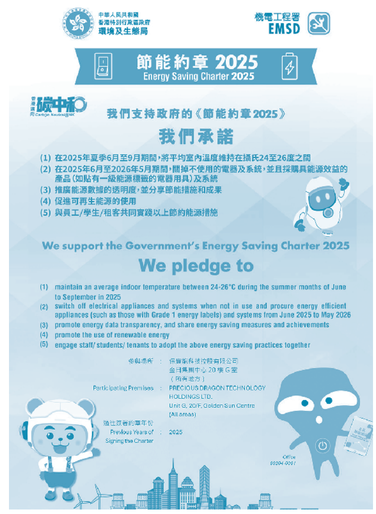
Risks	Relevance and assumptions	NGFS Net Zero 2050	NGFS Current Policies
Increased cost of carbon pricing	In assessing this risk, we considered the GHG emissions and operating costs for the Reporting Period ended 31 December 2025 as a reference point and assumed these parameters would remain broadly comparable over the time horizons. The assessment is subject to uncertainties, including future policy developments, carbon market conditions and technological advancements. The potential impacts in the short term and medium term are assumed to be broadly similar. Nevertheless, we will explore ways to quantify the impacts in the future. We will continue to monitor regulatory developments and explore opportunities to reduce GHG emissions.	Under this scenario, global climate policies are assumed to become more stringent over time, which may lead to higher carbon pricing levels. Such developments could increase the Group's operating costs if carbon pricing mechanisms become more widely implemented or strengthened.	Under this scenario, climate policies are assumed to continue broadly in line with existing commitments. As a result, potential cost impacts associated with carbon pricing are expected to be comparatively more moderate, although policy developments remain uncertain.

Metrics and Targets

GHG Emissions

During the Reporting Period, our Scope 1 GHG emissions primarily originated from direct GHG emissions such as stationary combustion sources and vehicle usage. Scope 2 GHG emissions were derived from purchased electricity. Scope 3 GHG emissions came from business travel (flights). The calculation methodology remains unchanged compared to the previous reporting period. Our GHG emissions are calculated and reported in accordance with the *Greenhouse Gas Protocol* and disclosed in "Appendix I: Overview of Key Performance Indicators".

As part of the Group's ongoing commitment to addressing climate change, we actively promote energy conservation and enhance energy efficiency in order to fulfil our pledge to reduce energy consumption and carbon footprint. This also forms a key component of our broader dedication to advancing sustainable development. To demonstrate this commitment, we have taken concrete action by signing the Energy Saving Charter, which was jointly launched by the Hong Kong Environment and Ecology Bureau and the Electrical and Mechanical Services Department. This initiative not only reflects our strong commitment to energy saving and emission reduction but also aims to inspire our employees to actively participate in energy conservation practices.



Looking ahead, the Group has set a target internally to participating in at least one climate-related activity or initiative annually. Through close collaboration with various stakeholders, we will continue to actively support energy conservation and emission reduction efforts, implement carbon reduction measures, and jointly drive forward the decarbonization journey. Moreover, we will continue to identify potential business activities impacting the environment and develop corresponding improvement measures, so as to further prevent the possible negative impacts of our operations on climate change. Our ESG Working Group is responsible for monitoring progress toward this annual target and, when necessary, seeking assistance from professional advisors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

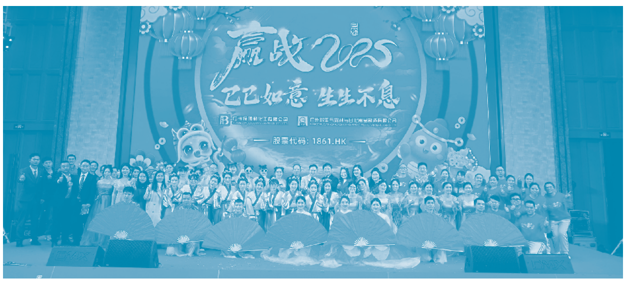
SOCIAL ASPECTS

Employment and Labour Practices

ASPECT B1: EMPLOYMENT

The Group believes that a key to our success is our ability to recruit, retain, motivate and develop talented and experienced staff members. We endeavour to attract and retain appropriate and suitable personnel to serve our Group. We understand that a professional team is our most valuable resource, and a huge amount of talent is needed for business development. To stay competitive in the industry, we assess the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of our Group. The Group's personnel management system manual sets out our standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

The Group entered into separate labour contracts with each of our employees in accordance with the Labour Contract Law of the PRC, the Labour Law of the PRC, the Labour Protection Act, B.E. 2541, and the Emergency Decree on the Management of Foreign Workers Employment, B.E. 2560 of Thailand. The package includes basic wages, overtime work allowances, bonuses and retirement benefits. We also provide staff with other benefits, which depend on the Company's performance, like benefits on house rent and transportation fee for employees from other provinces, holiday cash gifts or presents, body examination, trips, departmental recreational activities or competition, etc.



Annual Party in Chinese Mainland

Christmas Party in Thailand

The Group places a strong emphasis on talent development, we are committed to providing promotion opportunities for capable people, thus forming a good guidance for selecting employees and institutional environment. We conduct an annual review of the performance of our employees to determine the level of bonus, salary adjustment and promotion of our employees. The Group recruits employees from the open market through the posting of advertisements online or internal referrals by our other employees. We believe that the above arrangement can maintain a good relationship with our employees, as we believe that our employees are valuable assets to our Group.

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During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, which would have a significant impact on the Group.

ASPECT B2: HEALTH AND SAFETY

The Group attaches importance to the management system of occupational health and work safety. We pledge to earnestly implement and abide by national, provincial and municipal laws and regulations on work safety, including the Production Safety Law of the PRC, the Law of the PRC on the Prevention and Control of Occupational Diseases, the Fire Control Law of the PRC, the Special Equipment Safety Law of the PRC, and the Health and Environment Act B.E. 2554, and the Occupational Safety, Health and Environment Act, B.E. 2554 of Thailand. Therefore, we have set up a safety management department, which is specifically responsible for the Company's production safety, which mainly includes:

- Establishing and improving a safety production accountability system for the Company;
- Organizing the development and implementation of the Company's production safety education and training programs;
- Organizing the formulation of the Company's safety production rules and operating procedures;
- Organizing the inspection of the Company's safety production work to eliminate the potential accidents of production safety in a timely manner; and
- Organizing the formulation and implementation of the Company's emergency rescue plan for production safety accidents, etc., to ensure the effective implementation of efforts regarding the production safety.

We ensure that all personnel in special jobs are certified and have the appropriate knowledge and competence in safety management. To ensure a seamless transition into our safety culture, orientation training on company rules, regulations, and workplace safety is conducted for new employees before work commencement. The Group regularly organizes safety training courses for its employees and organizes safety production meetings, such as quarterly board meetings and monthly safety meeting studies, to enhance communication and timely response to safety production work, to issue safety work requirements and safety precautions. Basic first aid training is conducted by external specialists to enhance employees' awareness and equip them with the proper procedures and practices for responding to emergencies. Meanwhile, we organize several emergency drills every year, with regular inspections, to prevent safety risks and continuously improve personnel's emergency awareness and emergency response capabilities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the production process, we have established a system for occupational health prevention and control in order to reduce the impact of industrial noise on employees. We provide earplugs for our employees for protection. We prioritize the use of low-noise equipment in our workshops and install noise mufflers on noise-generating equipment. We are gradually replacing toxic materials with non-toxic, low-toxic materials and using closed pipes to transport raw materials. We use and maintain the good operation of the ventilation and exhaust devices in our plants, so that the workplace can meet the corresponding hygiene standard requirements. We regularly conduct occupational health training for employees to raise their awareness of occupational health. We are committed to implementing the "four orders and three systems" for the handling of dangerous chemicals, the safety management rules and regulations for major hazards, the safety operation procedures and the system for hidden danger troubleshooting and rectification. We have installed a comprehensive monitoring and alarm system in our hazardous chemical storage tank areas and warehouses to ensure the safety of our employees working in our plants and warehouses by handling flammable and toxic gas leak cases as early as possible. At the same time, the Group attaches importance to and regularly rectifies risk countermeasures such as leak prevention, corrosion prevention, fire prevention, explosion prevention, static electricity prevention, flood prevention and high temperature prevention in the course of operation to uphold the value of safety production.

Regarding insurance, the Group has made social insurance and housing fund contributions for its employees in accordance with the requirements pursuant to the applicable laws and regulations. We have also maintained property insurance, which covers our production facilities (including inventory and machinery and equipment), work safety liability insurance, which covers work injuries at our production facilities, products liability insurance in relation to our automotive beauty and maintenance products and property insurance, which covers our vehicles.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, which would have a significant impact on the Group.

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ASPECT B3: DEVELOPMENT AND TRAINING

The Group recognises the importance of providing training for the development of our employees. To ensure the performance quality of our employees and their health and safety at the workplace and to familiarise our employees with our quality control systems, except for orientation training for new employees, we also offer relevant in-house training to on-the-job staff. We also encourage our employees to attend external industry-related professional trainings by providing a subsidy as established in our employment handbook, to help them exert their potential and enhance their qualities and performance. The Human Resources Department is in charge of the establishment and amendment of training plans and systems. To ensure these programs remain effective, the department conducts an annual training needs assessment to enhance employees' competencies across all departments and organizes internal and external training programs based on departmental requests. All relevant departments have rights and obligations to propose suggestions for improvement and cooperate in implementation, therefore, the Human Resources Department can give feedback and assessment on the implementation of the training in the Company and shoulder the responsibility of supervision and reporting.

Practical Measures for Development and Training

New employee orientation training

- We assist new hires to adapt to the new working environment as soon as possible, while enhancing their abilities and sense of responsibility. After the training, it will be assessed in the form of a written test to ensure that the personnel enter the working condition smoothly

In-house training

- We use the Company's internal resources to strengthen internal technical communication and exchanges, including the Company's various project, management knowledge or other positive values

External training

- We encourage employees to participate in external public courses, exchange seminars, or invite external lecturers to teach inside to improve the professional knowledge, skills and know-hows that practitioners should have in their own posts

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, a total of 458 people in the Group participated in different types of training for a total of 12,593 hours. Training topics include, but are not limited to:

Fire Drill and Fire Safety Training

Firefighters provide fire safety training, including demonstrations on proper fire extinguisher usage and evacuation procedures during emergencies. Employees learn essential skills to handle fire-related incidents and safely evacuate buildings when necessary.

Process Safety Management (PSM) Training

The PSM training is conducted to enhance technical competencies, ensure strict regulatory compliance, and foster a robust safety culture across all manufacturing facilities.

ASPECT B4: LABOUR STANDARDS

The Group strictly complies with the Labour Law of the PRC, the Labour Protection Act B.E. 2541, the Labour Relations Act B.E. 2518, the Social Security Act B.E. 2533, the Workmen's Compensation Act and the Anti-human Trafficking Act of Thailand. The Group prohibits the use of child labour and forced labour that violates fundamental human rights and also poses a threat to sustainable social and economic development. We never hire minor citizens under the age of 18 in our long-term employee recruitment process.

Upon employment approval, new recruits complete entry formalities on a scheduled date. We examine the candidates' academic certificates and identity documents to verify qualifications and confirm that all candidates meet legal age requirements before commencement. The Group maintains a zero-tolerance regarding the submission of false information, false academic qualifications, false names or forged documents/certificates during the entry process or employment. If found, we will trace and cancel the employee's employment. Employment contracts and other records, documenting all relevant details of the employees (including age), are properly maintained for verification by relevant statutory body upon request.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to preventing child and forced labour, which would have a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OPERATING PRACTICES

ASPECT B5: SUPPLY CHAIN MANAGEMENT

The Group works closely with its suppliers who are committed to high quality, environmental, health and safety standards. Our principal suppliers were mainly suppliers of aerosol cans, liquefied petroleum gas and solvents. It is our general policy to maintain a list of approved suppliers in order to avoid over-relying on a single supplier. We have stable business relationships with our suppliers, and they are familiar with our demand for quantity and requirements as to the quality of the materials and equipment required by us. Policies and procedures for the selection and evaluation of suppliers are established for staff to follow. The selection of our suppliers is based on the following criteria and procedures:

- Ensuring suppliers have obtained all requisite production licences. A Hazardous Chemicals Operation License is also required where it involves the operation of hazardous products;
- Ensuring a supplier's ability to supply a stable source of quality raw materials that meet our stringent standards, its quality management system and whether such system is appropriately accredited and confirm the specifications of the procured products;
- Ensuring a supplier's ability to supply raw materials at competitive prices;
- Conducting initial assessment based upon basic information of the suppliers;
- Testing the suppliers' sample products by technical staff;
- Implementing a product trial period;
- Conducting site-visit to the suppliers' factories or production plants with a view to ensuring that our suppliers have supply capability; and
- Selecting suppliers who prioritize environmentally preferable products and services

Further, our technical department will conduct experiments on the samples procured, avoid an increase in unnecessary emissions of pollutants caused by material quality, and environmental and social risks that damage consumers' interests. We conduct annual and random reviews of our list of approved suppliers, and those suppliers who cannot satisfy our quality or other requirements will be removed from the list. During the Reporting Period, there are 204 suppliers that have passed our quality assurance review. Thus, we believe there are no significant environmental and social risks for our management decision on supply chain management during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ASPECT B6: PRODUCT RESPONSIBILITY

Throughout our history, we have continuously strived to provide high standard products to our customers, and place strong focus on quality control, which enables us to build up our reputation in the industry. We strictly comply with all relevant laws and regulations, including but not limited to:

- The Cybersecurity Law of the PRC;
- The Patent Law of the PRC;
- The Technical Guidelines for Children Cosmetics of the PRC;
- The Technical Guidelines for Filling in and Submitting Cosmetic Formula of the PRC;
- The Regulations on the Supervision and Management of the Implementation of the Principal Responsibility for Quality and Safety by Industrial Product Manufacturing Units of the PRC;
- The Patent Act B.E. 2522; and
- The Personal Data Protection Act B.E. 2562 of Thailand.

Certain of our subsidiaries of the Group are accredited with the following certifications from Zhongjian Certification Co., Ltd. (中鑒認證有限責任公司) in relation to our stringent quality control on production:

GB/T19001-2016/ISO9001:2015	Standard quality management system certification for our design, production and sale of aerosol products, cleaning agents, wax products, disinfectants and cosmetics;
GB/T24001-2016/ISO14001:2015	Environmental management system certification for our design, production and sale of aerosol products, cleaning agents, wax products, disinfectants and cosmetics and the related management system;
ISO 22716 (E) Good Manufacturing Practices for Cosmetics (GMP)	Quality management system certification acquired for our design, production and sale of skin-care and hair-care products.

We have established a quality assurance team within our quality control and technical supervision department to work together with our technical supervision team of the same department when implementing quality control procedures as follows:

1. Quality control on suppliers and raw materials

Raw materials are only sourced from suppliers approved by our procurement department. Our quality and technical supervision personnel check the raw materials on a sampling basis at our laboratory upon receipt of the raw materials. Our raw materials and packaging materials have a warranty period, our quality and technical supervision will also check the raw materials and packaging materials semi-annually and annually to identify obsolete and damaged stock.

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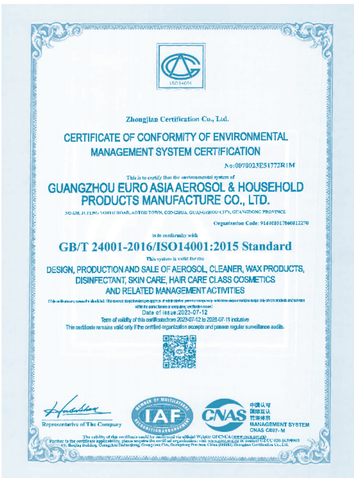
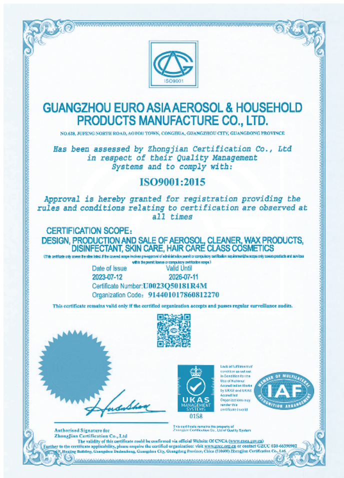
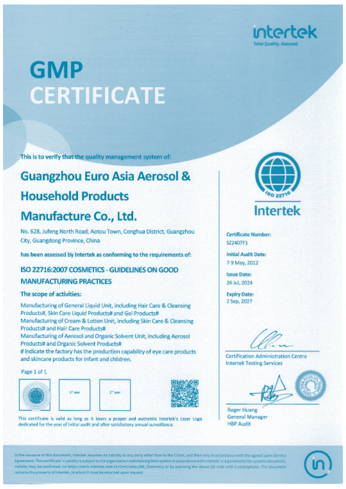
2. Quality control during production

We carry out quality control on our semi-finished products at various stages along our production lines to ensure their quality complies with applicable industry standards and internal benchmarks. Among others, production of our products conforms to the following national standards, industry standards and corporate standards filed with the market regulatory authorities of the PRC and Thailand. Part of the national standards and industry standards are set out as follows:

• GB/T 24001-2016/ISO 14001:2015 • GB/T 19001-2016/ISO 9001:2015	• Design, production and sale of aerosol, cleaner, wax products, disinfectant, skin care, hair care class cosmetics and related management activities
• ISO 22716:2007 (E)	• Manufacturing of general liquid unit, cream and lotion unit, aerosol unit, and organic solvents unit


Zhongjian Certification Co., Ltd.
CERTIFICATE OF CONFORMITY OF ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION
No:0070023E51772R1M
This is to certify that the environmental system of
GUANGZHOU EURO ASIA AEROSOL & HOUSEHOLD PRODUCTS MANUFACTURE CO., LTD.
Organization Code: 914401017860812270
is in conformity with
GB/T 24001-2016/ISO14001:2015 Standard
This system is valid for the
DESIGN, PRODUCTION AND SALE OF AEROSOL, CLEANER, WAX PRODUCTS, DISINFECTANT, SKIN CARE, HAIR CARE CLASS COSMETICS AND RELATED MANAGEMENT ACTIVITIES
Date of issue:2023-07-12
Term of validity of this certificate from 2023-07-12 to 2026-07-11 inclusive
This certificate remains valid only if the certified organization accepts and passes regular surveillance audits.
Representative of The Company
MANAGEMENT SYSTEM
CNAS C007-M


GUANGZHOU EURO ASIA AEROSOL & HOUSEHOLD PRODUCTS MANUFACTURE CO., LTD.
NO.628, JUFENG NORTH ROAD, AOTOU TOWN, CONGHUA, GUANGZHOU CITY, GUANGDONG PROVINCE
Has been assessed by Zhongjian Certification Co., Ltd in respect of their Quality Management Systems and to comply with:
ISO9001:2015
Approval is hereby granted for registration providing the rules and conditions relating to certification are observed at all times
CERTIFICATION SCOPE:
DESIGN, PRODUCTION AND SALE OF AEROSOL, CLEANER, WAX PRODUCTS, DISINFECTANT, SKIN CARE, HAIR CARE CLASS COSMETICS
Date of Issue 2023-07-12
Valid Until 2026-07-11
Certificate Number: U0023Q50181R4M
Organization Code: 914401017860812270
This certificate remains valid only if the certified organization accepts and passes regular surveillance audits.
Authorised Signature for ZhongJian Certification Co., Ltd


intertek
Total Quality. Assured.
GMP CERTIFICATE
This is to verify that the quality management system of:
Guangzhou Euro Asia Aerosol & Household Products Manufacture Co., Ltd.
No. 628, Jufeng North Road, Aotou Town, Conghua District, Guangzhou City, Guangdong Province, China
has been assessed by Intertek as conforming to the requirements of:
ISO 22716:2007 COSMETICS - GUIDELINES ON GOOD MANUFACTURING PRACTICES
The scope of activities:
Manufacturing of General Liquid Unit, including Hair Care & Cleansing Products#, Skin Care Liquid Products# and Gel Products#
Manufacturing of Cream & Lotion Unit, including Skin Care & Cleansing Products# and Hair Care Products#
Manufacturing of Aerosol and Organic Solvent Unit, including Aerosol Products# and Organic Solvent Products#
Indicate the factory has the production capability of eye care products and skincare products for infant and children.
Page 1 of 1
This certificate is valid as long as it bears a proper and authentic Intertek's Laser Logo dedicated for the year of initial audit and after satisfactory annual surveillance.
Certificate Number: SZ2407F1
Initial Audit Date: 7-9 May, 2012
Issue Date: 26 Jul, 2024
Expiry Date: 2 Sep, 2027
Certification Administration Centre
Intertek Testing Services
Roger Huang
General Manager
HBP Audit

3. Inspection before storage

It is our policy to inspect the products to ensure they conform to product specifications prior to storage.

4. Testing before delivery

We examine our products before delivery according to the Company's internal standard operating procedures to ensure that customers or consumers receive qualified products. The Group's strict control over product quality and its persistent quest for excellence have been recognized by the country and the society. Guangzhou Botny Chemical Co., Ltd., our subsidiary, was awarded the eight-ranked in the Top 100 Small and Medium-sized Enterprise of Guangdong Province Manufacturing Industry (廣東省製造業中小企業100強第八位) in 2025. We will continue to work hard to maintain the due quality and standards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Product Returns, Consumer Feedback and Product Recall

We have an established policy for handling product complaints. We have a dedicated team of customer service personnel under our sales and marketing department, which handles customer complaints. Our customer service personnel together with our quality assurance team, under our quality and technical supervision department, seek to identify any quality-related issues. We may refund or replace the defective products at our own costs, as the case may be. Any refund is offset against the accounts receivable of the relevant customer as recognised in our accounts. Product recall and replacement are subject to the prior approval of our responsible regional sales team. The product warranty period is usually three years.

During the Reporting Period, there were no disputes between our Group and our customers in respect of the quality of products produced by us. We don't have any products sold or in ship that are subject to return for safety and health reasons.

Intellectual Property Rights

The Group understands that intellectual property can help promote innovation and technological development and is important to the progress of the industry and society. Therefore, we respect intellectual property rights to promote the positive development of society. We have formulated a number of practices and systems, including an internal patent management system, trademark management system and copyright management methods. For infringements, we have established an early warning mechanism for intellectual property rights. Subordinates should collect and report information related to intellectual property rights according to the principle of "objective, accurate and timely". The status of the work on intellectual property rights should be reported in writing to the Company's key leaders at the end of each year, so that the management can understand the situation and develop relevant policies as early as possible.

Customer Data Protection and Privacy

In addition, we value the privacy and business security of our partners, employees and consumers. According to our technical and commercial confidentiality management system, trade secrets, employee files and personal data are only copied and transmitted by employees at or above the managerial level and specially designated authorized persons. Cooperation, agency, transaction, contract or agreement involving the Company's trade secrets shall be subject to a confidentiality clause, expressing the trade secrets involved in the contract and the restrictions on confidential behaviour. In the case of any leaks, the Group has clear guidelines for warning, fines, dismissal, or even criminally liable persons for misconduct based on the seriousness of the consequences. Over the years, we have been convinced that proper handling of trade secrets will eliminate external false information, enhance investors' confidence in the Group's operations, and gain more trust and respect from our customers and the market.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress, which would have a significant impact on the Group.

ASPECT B7: ANTI-CORRUPTION

To ensure the workplace operates fairly and transparently, the Group attaches importance to the asset management, fees related to reimbursement, work and others are subject to approval of various parties to prevent abusive reporting. We also conduct strict checks with respect to borrowing. At the same time, cash income is required to be deposited in banks immediately for recording, and accounts will be checked by professionals regularly to avoid embezzlement and unauthorized borrowing.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Whistle-blowing Policy

The Group has formulated a whistleblowing policy to avoid suspected corruption and provided channels such as by letter, fax, meeting, email or phone call for employees to report suspected corruption. If there is any suspected case related to corruption, employees are encouraged to report it through the mentioned channels. Employees can make complaints to the personnel administration department seeking solutions if they face unsolvable questions within their own departments. Anyone who reports and prosecutes indiscipline and other cases to the head of the department or the personnel administration department will be given rewards (as the case may be). All these practical actions enhance the sense of belonging and fair play among our various stakeholders. During the Reporting Period, 26 employees, including directors, have received a thirteen-hour anti-corruption training, making the concept of anti-corruption deep into the whole company.

The Group has been in strict compliance with law and regulation related to anti-corruption, such as the Anti-Unfair Competition Law of the PRC and the Act Supplementing the Constitution Relating to the Prevention and Suppression of Corruption in Thailand. During the Reporting Period, there was no legal case regarding corrupt practices brought against the Group or its employees. The Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering, which would have a significant impact on the Group.

COMMUNITY

ASPECT B8: COMMUNITY INVESTMENT

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. The Group strives to develop a long-term relationship with our stakeholders and seeks to make contributions to programmes that have a positive impact on community development. The Group remains dedicated to fostering a strong sense of social responsibility among employees by encouraging participation in community service and supporting those in need through donations and charitable activities. We are committed to making a meaningful impact on society, particularly in times of crisis, by extending our support to disaster relief efforts.

We participated in a volunteer tree-planting event in Xihu Village.

During the Mid-Autumn Festival, we organized a community outreach initiative in Xihu Village to support underprivileged families.

During the Reporting Period, the Group noted an unforeseen incident in the community in Hong Kong that caused immediate disruption to the daily lives of some residents. Demonstrating our commitment to community well-being, the Group provided a one-off charitable donation through appropriate and credible channels to address the practical needs of the affected community. This support initiative was not intended for publicity. The Group respects the privacy of those affected and, as such, has made no external promotion or disclosure regarding this matter.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX I OVERVIEW OF KEY PERFORMANCE INDICATORS

1. Environmental Aspects[1]

No. of KPIs	KPIs	Unit	2025	2024
A1.1 Emissions	Nitrogen oxides ("NO_x")	kg	**231.55**	312.61
	Sulphur oxides ("SO_x")	kg	**1.45**	2.41
	Particulate matter ("PM")	kg	**13.95**	26.84
Part D 28(a) –(c) Greenhouse gas emissions[1]	Scope 1 Direct emissions[2]	Tonnes of CO_2e	**368.76**	388.48
	Scope 2 Energy indirect emissions (Location-based)[3]	Tonnes of CO_2e	**2,338.19**	2,241.28
	Total (Scope 1 and 2)	Tonnes of CO_2e	**2,706.95**	2,629.76
	Intensity (Scope 1 and 2)	Tonnes of CO_2e/ Square meters of gross floor area	**0.04**	0.04
	Scope 3 Other indirect emissions[4]	Tonnes of CO_2e	**30.91**	N/A
A1.3 Hazardous waste	**Total hazardous waste**	Tonnes	**137.34**	93.34
	Intensity	Kg/ Square meters of gross floor area	**2.26**	1.53
A1.4 Non-hazardous waste	**Total non-hazardous waste**	Tonnes	**303.13**	310.82
	Intensity	Kg/ Square meters of gross floor area	**4.98**	5.11
A2.1 Energy consumption[5]	**Direct energy**			
	Unleaded petrol	kWh	**220,210.99**	240,865.75
	Liquefied petroleum gas	kWh	**37,071.38**	40,342.17
	Diesel	kWh	**562,637.13**	1,184,164.70
	Natural gas	kWh	**541,927.53**	Nil
	Indirect energy			
	Purchased electricity	kWh	**4,086,604.40**	3,999,761.70
	Total energy consumption	kWh	**5,448,451.43**	5,465,134.32
	Intensity	kWh/ Square meters of gross floor area	**89.52**	89.79
A2.2 Water consumption	**Total water consumption[6]**	m^3	**88,516.00**	85,836.00
	Intensity	m^3/ Square meters of gross floor area	**1.45**	1.41
A2.5 Packaging materials	Metal	Tonnes	**6,755.28**	6,360.86
	Plastic	Tonnes	**2,143.85**	2,175.46
	Paper	Tonnes	**2,184.14**	2,388.66
	Raw materials	Tonnes	**17,036.41**	16,397.44
	Compressed gas	Tonnes	**7,785.77**	7,481.29
	Total	Tonnes	**35,905.45**	34,803.70
	Intensity	Tonnes/HK$'000 of revenue	**0.05**	0.06

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Note:

1. Unless otherwise stated, the calculation standards and methodologies for calculating the environmental KPIs in this ESG Report, including GHG emissions are based on "Appendix 2: Reporting Guidance on Environmental KPIs" of "How to Prepare an ESG Report" by HKEX and the Greenhouse Gas Protocol.

2. Scope 1 emissions included direct GHG emissions from the combustion of fuels in stationary and mobile sources and the use of refrigeration. The emission factors adopted are mainly based on "Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEX and guidance from the U.S. Environmental Protection Agency. The Global Warming Potential ("GWP") rates from the IPCC Sixth Assessment Report (AR6).

3. Scope 2 emissions included indirect GHG emissions from the consumption of purchased electricity. The emission factor of purchased electricity for Chinese Mainland-based operations referenced the Ministry of Ecology and Environment of the People's Republic of China; the emission factor for other operation locations referenced the latest officially published electricity grid emission factors, national greenhouse gas inventory factors, or sustainability reports issued by the relevant governmental authorities, environmental agencies, electricity regulators, or national/state-owned electricity providers of the respective jurisdictions.

4. Due to the complexity of Scope 3 emissions and the broad range of categories involved, current disclosure is limited to cover Category 6 - Business travel (flight) as defined by the Greenhouse Gas Protocol. Emission factors adopted are from the "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance" issued by the Department for Energy Security and Net Zero of the UK.

5. Direct energy consumption of the Group includes the consumption of diesel, petrol, LPG and compressed natural gas. The conversion factors for diesel, petrol, and LPG adopted are based on the conversion of fuel data to MWh issued by CDP. For the consumption of compressed natural gas, the conversion factor adopted is based on the Ministry of Ecology and Environment of the People's Republic of China.

6. During the Reporting Period, the Group adopted cubic metres (m^3) as the standard unit for water consumption. This transition ensures better data comparability and better compliance with HKEX Listing Rules Appendix C2.

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2. Social Aspects

No. of KPIs	KPIs	Unit	2025	2024
B1.1 Total number of employees	**By gender**			
	Male	person	**216**	227
	Female	person	**244**	241
	By employment type			
	Full-time	person	**460**	468
	Part-time	person	**Nil**	Nil
	By age group			
	Below 30	person	**37**	44
	30-50	person	**361**	373
	Above 50	person	**62**	51
	By geographical region			
	Hong Kong	person	**9**	11
	Chinese Mainland	person	**423**	432
	Japan	person	**2**	2
	Thailand	person	**25**	22
	India	person	**1**	1
B1.2 Employee turnover rate	**By gender**			
	Male	%	**12.5**	25.6
	Female	%	**13.5**	18.7
	By age group			
	Below 30	%	**29.7**	47.7
	30-50	%	**11.1**	16.9
	Above 50	%	**14.5**	37.3
	By geographical region			
	Hong Kong	%	**22.2**	Nil
	Chinese Mainland	%	**9.7**	13.9
	Japan	%	**Nil**	Nil
	Thailand	%	**68.0**	195.5
	India	%	**Nil**	Nil
B2.1 Number and rate of work-related fatalities	Number of work-related fatalities	person	**Nil**	Nil
	Rate of work-related fatalities	%	**Nil**	Nil
B2.2 Number of working days lost due to work injury	Number of working days lost due to work injury	day	**Nil**	221

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No. of KPIs	KPIs	Unit	2025	2024
B3.1 Percentage of trained employees	Percentage of trained employees	%	**99.6**	97.2
	By gender			
	Male	%	**99.5**	95.6
	Female	%	**99.6**	98.8
	By employee category			
	Senior management	%	**87.5**	41.7
	Middle management	%	**100**	87.5
	General staff	%	**100**	99.1
	Contract/short term	%	**Nil**	Nil
B3.2 Average training hours completed per employee	**Average training hours completed per employee**	hour	**27.4**	27.2
	By gender			
	Male	hour	**25.9**	23.9
	Female	hour	**28.7**	30.3
	By employee category			
	Senior management	hour	**18.4**	14.7
	Middle management	hour	**41.4**	16.3
	General staff	hour	**26.2**	27.9
	Contract/short term	hour	**Nil**	Nil
B5.1 Number of suppliers	**Number of suppliers by geographical region**			
	Chinese Mainland	supplier	**470**	420
	Japan	supplier	**1**	7
	Thailand	supplier	**2**	2
	Hong Kong	supplier	**Nil**	1
	Korea	supplier	**1**	3
	US	supplier	**2**	2
	Others	supplier	**2**	4
	Total	supplier	**478**	439
B6.2 Number of complaints about products and services	Number of complaints about products and service received	case	**30**	32
B7.1 Legal cases in relation to corruption	Number of legal cases in relation to corruption filed and concluded	case	**Nil**	Nil
B8.2 Community investment	Total amount of donation in Chinese Mainland	RMB	**Nil**	568,800
	Total amount of donation in Hong Kong	HKD	**60,000**	Nil

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX II ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures, and KPIs		Relevant Section
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	About This Report - Sustainability Governance
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles (Materiality, Quantitative, and Consistency) in the preparation of the ESG Report.	About This Report – Reporting Principles
Reporting Boundary	A narrative explaining the Reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG report.	About This Report – Reporting Scope
'Comply or explain' Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Pollutants
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Overview of Key Performance Indicators – Environmental Aspects
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Overview of Key Performance Indicators – Environmental Aspects
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions – Air Pollutants, GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management

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Subject Areas, Aspects, General Disclosures, and KPIs		Relevant Section
A. Environmental		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Overview of Key Performance Indicators – Environmental Aspects
KPI A2.2	Water consumption in total and intensity.	Overview of Key Performance Indicators – Environmental Aspects
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) and steps taken to achieve them.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Overview of Key Performance Indicators – Environmental Aspects
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

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Subject Areas, Aspects, General Disclosures, and KPIs		Relevant Section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Overview of Key Performance Indicators – Social Aspects
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Overview of Key Performance Indicators – Social Aspects
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Overview of Key Performance Indicators – Social Aspects
KPI B2.2	Lost days due to work injury.	Overview of Key Performance Indicators – Social Aspects
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures, and KPIs		Relevant Section
B. Social		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Overview of Key Performance Indicators – Social Aspects
KPI B3.2	The average training hours completed per employee by gender and employee category.	Overview of Key Performance Indicators – Social Aspects
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Overview of Key Performance Indicators – Social Aspects
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures, and KPIs		Relevant Section
B. Social		
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility - Product Returns, Consumer Feedback and Product Recall
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility - Product Returns, Consumer Feedback and Product Recall
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility - Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility - Customer Data Protection and Privacy

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures, and KPIs		Relevant Section
B. Social		
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption – Whistle-blowing Policy
KPI 7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption – Whistle-blowing Policy
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution.	Community Investment
KPI B8.2	Resources contributed to the focus area.	Community Investment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX 3 CLIMATE-RELATED DISCLOSURES

ESG Code Provisions	Section	Remarks and Explanation
Governance		
19(a)(i)-(iii)	Climate Change – Governance	Disclosed
19(a) (iv)	Not Applicable	Climate-related considerations have not been incorporated into remuneration policies.
19(b)(i)-(ii)	Climate Change – Governance, Sustainability Governance	Disclosed
Strategy		
20(a)-(d)	Climate Change - Strategy and Risk Assessment	Disclosed
21(a)-(b)	Climate Change - Strategy and Risk Assessment	Disclosed
22(a)(i)	Climate Change - Strategy and Risk Assessment	Disclosed
22(a)(ii)	Climate Change - Strategy and Risk Assessment	Disclosed
22(a)(iii)	Not Applicable	The Group has not yet formulated any climate-related transition plans.
22(a)(iv)	Climate Change - Strategy and Risk Assessment	Disclosed
22(b)	Climate Change - Strategy and Risk Assessment	Disclosed
23	Not Applicable	The Group has not disclosed plans for responding to climate-related risks and opportunities in previous reporting periods.
24(a)-(b)	Not Applicable	The analysis of the current and anticipated financial effects of climate-related risks and opportunities is currently in the data optimization stage. We plan to disclose this information when feasible in the future to ensure the accuracy of the content.
25(a)-(b)	Not Applicable	The analysis of the current and anticipated financial effects of climate-related risks and opportunities is currently in the data optimization stage. We plan to disclose this information when feasible in the future to ensure the accuracy of the content.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Code Provisions	Section	Remarks and Explanation
Strategy		
26(a)(i)	Climate Change - Strategy and Risk Assessment, Climate Resilience	Disclosed
26(a)(ii)	Climate Change – Climate Resilience	Disclosed
26(a)(iii)	Climate Change - Strategy and Risk Assessment	Disclosed
26(b)(i)-(iii)	Climate Change – Climate Resilience	Disclosed
Risk Management		
27(a)	Climate Change – Governance, Sustainability Governance	Disclosed
27(b)	Not Applicable	The Group has not established a monitoring process for assessing climate-related opportunities.
27(c)	Climate Change – Governance, Sustainability Governance	Disclosed
Metrics and Targets		
28(a)-(c)	Overview Of Key Performance Indicators – Environmental Aspects	Disclosed
29(a)-(d)	Climate Change – GHG Emissions, Overview Of Key Performance Indicators – Environmental Aspects	Disclosed
30	Not Applicable	The amount of assets or business activities vulnerable to climate-related risks and opportunities is currently in the data optimization stage. We plan to disclose this information when feasible in the future to ensure the accuracy of the content.
31	Not Applicable	The amount of assets or business activities vulnerable to climate-related risks and opportunities is currently in the data optimization stage. We plan to disclose this information when feasible in the future to ensure the accuracy of the content.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Code Provisions	Section	Remarks and Explanation
Metrics and Targets		
32	Not Applicable	The amount of assets or business activities vulnerable to climate-related risks and opportunities is currently in the data optimization stage. We plan to disclose this information when feasible in the future to ensure the accuracy of the content.
33	Not Applicable	The amount of capital expenditure, financing, or investment deployed towards climate-related risks and opportunities is currently in the data optimization stage. We plan to disclose this information when feasible in the future to ensure the accuracy of the content.
34(a)-(b)	Not Applicable	The Group does not currently apply carbon pricing in decision-making.
35	Not Applicable	The Group does not currently incorporate climate-related considerations into remuneration policies.
36	Not Applicable	The Group will consider enhancing its disclosures in the future in accordance with these voluntary disclosure requirements.
37(a)-(d)	Climate Change – Metrics & Targets	Disclosed
37(e)-(h)	Not Applicable	Since our target is not based on performance of a particular year, the relevant disclosure requirements do not apply.
38(a)	Not Applicable	As the target set by the Group is not a quantitative GHG emission target, the related disclosure requirement are not applicable.
38(b)-(c)	Climate Change – Metrics & Targets	Disclosed
38(d)	Not Applicable	The Group has no revisions to the target set as this is our first year to set such target.
39	Not Applicable	As the current reporting period marks our first year of setting the target, the relevant disclosure requirements are not applicable.
40(a)-(e)	Not Applicable	As the target set by the Group is not a GHG emission target, the related disclosure requirements are not applicable.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographies of Directors and senior management are set out below:

EXECUTIVE DIRECTORS

Ms. Ko Sau Mee (高秀媚, "Mrs. Lin"), aged 59, was appointed as an executive Director on 4 May 2018. Mrs. Lin is also the chairlady of the Board, the chief executive of the Company and a member of each of the remuneration committee and the nomination committee of the Company. Mrs. Lin joined the Group in August 2000. Mrs. Lin is responsible for formulating business strategies and planning the business development of the Group. In August 2000, Mrs. Lin together with Mr. Lin Wan Tsang established Guangzhou Botny Chemical Co., Ltd.* (廣州保賜利化工有限公司, "Guangzhou Botny") to engage in the design, development, manufacture and sale of aerosol and non-aerosol products mainly for automotive beauty and maintenance products and has served as a director of Guangzhou Botny since then. Mrs. Lin was an executive director of China Aluminum Cans Holdings Limited ("China Aluminum Cans", an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, stock code: 6898) during the period from March 2013 to May 2019 and was responsible for formulating corporate strategies and overseeing the overall business of China Aluminum Cans and its subsidiaries. Mrs. Lin resigned as an executive director of China Aluminum Cans with effect from 29 May 2019.

Mrs. Lin has been a director of Guangzhou Botny since August 2000, a supervisor of Guangzhou Euro Asia Aerosol & Household Products Manufacture Co., Limited* (廣州歐亞氣霧劑與日化用品製造有限公司, "Euro Asia Aerosol") since January 2018, a director of Botny Hongkong Co., Limited, China Medical Beauty Bio-Technology Company Limited, Topspan Holdings Limited and Super Sight International Investment Limited since May 2019, a director of Precious Dragon Group Limited and Botny Marine Limited since November 2019 and December 2019 respectively, a director of Precious Dragon Technology Thai Limited since January 2020 and a director of Botny Corporation Limited since March 2021, each a subsidiary of the Company.

Mrs. Lin is the mother of Ms. Lin Hing Lei and Mr. Lin Hing Lung, each an executive Director, and the spouse of Mr. Lin Wan Tsang, the Controlling Shareholder.

Ms. Lin Hing Lei (連馨莉, "Ms. Flora Lin"), aged 35, was appointed as an executive Director on 4 May 2018 and is also the head of procurement department of the Group, responsible for overseeing the procurement, administration and human resources management of the Group. Ms. Flora Lin joined the Group in August 2012. Ms. Flora Lin has over 13 years of experience in the content filling of aerosol cans and non-aerosol cans and the design, development, manufacture and sale of aerosol and non-aerosol products. Ms. Flora Lin obtained her bachelor's degree in Arts (Business and Management with proficiency in Mandarin Chinese) from the University of Exeter in the United Kingdom in July 2012. Ms. Flora Lin was appointed as a council member of the council committee of Guangdong Cosmetics Association* (廣東省化妝品學會) for the period from December 2016 and November 2020. Ms. Flora Lin, is a shareholder and a director of Po Lee Finance Limited.

Ms. Flora Lin has become a director of Guangzhou Botny since November 2013, a director and legal representative of Guangzhou Shentian Woye Trading Company Limited* (廣州深田沃業貿易有限公司) since May 2014, a director of Euro Asia Aerosol since January 2018, and a director of Botny Corporation Limited during the period from July 2019 to October 2019 and a director of Precious Dragon Technology Thai Limited since January 2020.

Ms. Flora Lin is the daughter of Mrs. Lin, an executive Director and the chairlady of the Board and Mr. Lin Wan Tsang, the controlling Shareholder and the sister of Mr. Lin Hing Lung, an executive Director.

* *For identification purpose only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Lin Hing Lung (連興隆, "Mr. Alex Lin"), aged 32, was appointed as an executive Director on 4 May 2018 and is also the head of sales and marketing department of the Group, responsible for the sales and marketing for the PRC and overseas markets of the Group. Mr. Alex Lin joined the Group in August 2014. Mr. Alex Lin has over 11 years of experience in the content filling of aerosol cans and non-aerosol cans, and the design, development, manufacture and sale of aerosol and non-aerosol products. Mr. Alex Lin had been an executive director from March 2016 to May 2019 and a deputy managing director of China Aluminum Cans from December 2016 to May 2019 and was responsible for formulating business strategies and planning the business development of China Aluminum Cans and its subsidiaries. Mr. Alex Lin obtained his bachelor's degree in Arts (Marketing and Management) from the University of Newcastle in the United Kingdom in August 2014. Mr. Alex Lin was appointed as the director of the Aerosol Committee of China Packaging Federation* (中國包裝聯合會氣霧劑專業委員會) in October 2014, the vice president of Guangdong Chamber of Automotive Supplies* (廣東省汽車用品商會) in December 2015 and the vice president of Guangdong Association for Standardisation* (廣東省標準化協會) in December 2017. Mr. Alex Lin was appointed as a director of Hero Entertainment Co. Limited, which is in the entertainment industry principally engaged in event management, in September 2016.

Mr. Alex Lin was appointed as a director of Euro Asia Japan Company Limited in January 2016, a director of Guangzhou Botny in September 2018, a director of Botny Corporation Limited in March 2019, a director of Botny India Chemical Private Limited in November 2019, a director of Precious Dragon Technology Thai Limited in January 2020, a director of Smooth Culture Media Limited in November 2023 and a director of Technology Driven Culture Media Limited in November 2023.

Mr. Alex Lin is the son of Mrs. Lin, an executive Director and the chairlady of the Board, and Mr. Lin Wan Tsang, the Controlling Shareholder and the brother of Ms. Flora Lin, an executive Director.

Mr. Yang Xiaoye (楊小業, "Mr. Yang"), aged 57, was appointed as an executive Director on 2 May 2019 and is also the head of safety department and quality control and technical supervision department of the Group, and is responsible for overseeing the quality checking and research and development of the Group. Mr. Yang has over 24 years of experience in quality management and technical supervision in aerosol manufacturing and filling.

Mr. Yang joined the Group in September 2000 as the manager of quality control and technical supervision department of the Group and was subsequently promoted to be the vice general manager and head of safety department and quality control and technical supervision department of our Group in February 2015 and January 2018, respectively. Mr. Yang has been the supervisor of Guangzhou Botny since September 2018.

Mr. Yang obtained his bachelor's degree in Chemical Engineering from Hefei University of Technology* (合肥工業大學) in July 1990. Prior to joining the Group, Mr. Yang worked as an assistant engineer in State-owned Factory No. 804* (國營第804廠) operated by Norinco (中國兵器工業總公司, which is currently known as 中國北方工業公司) from October 1991 to September 1997 and his last position was engineer. From September 1997 to September 2000, he joined Chaoyang Ouya Aluminum Cans Company Limited* (潮陽市歐亞鋁罐工業有限公司), which is principally engaged in manufacture of aluminum cans, as a quality controller. Mr. Yang has been a certified safety engineer of the Ministry of Human Resources and Social Security of the People's Republic of China* (中華人民共和國人力資源和社會保障部) and the Ministry of Emergency Management of the People's Republic of China* (中華人民共和國應急管理部) since October 2018. Mr. Yang was appointed as a member of the Chemical Safety Section (化工安全組) of Experts of the Guangdong Provincial Association of Work Safety (廣東省安全生產協會專家) in January 2022. Mr. Yang was accredited by Guangzhou Municipal Human Resources and Social Security Bureau* (廣州市人力資源和社會保障局) as a senior engineer specializing in chemical engineering technology on 28 July 2023.

* *For identification purpose only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Yiu Pui (李耀培, "Mr. Lee"), aged 73, was appointed as an independent non-executive Director on 27 May 2019 and is responsible for providing independent advice to our Board. Mr. Lee is also the chairman of the nomination committee of the Company and a member of each of the audit committee and the remuneration committee of the Company. Mr. Lee has over 39 years of experience in corporate management.

Mr. Lee obtained his diploma in Business Management jointly organised by The Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University) and the Hong Kong Management Association in September 1991. Mr. Lee obtained his master's degree of Engineering Management from the University of Technology in Sydney in October 2003 and his doctor's degree of Philosophy in Business Administration from the International American University in December 2010.

Mr. Lee joined Guardforce Limited as a manager and was responsible for management of workshops and garages from August 1986 to August 1996 and his last position was senior manager. Mr. Lee worked as a director and general manager of Challenger Auto Services Limited and was responsible for management of workshops and garages from November 1996 to June 2008. From April 2008 to March 2013, Mr. Lee was appointed as the chairman of the Automobile Training Board at Vocational Training Council, Hong Kong. Mr. Lee worked as a management leader in HKS Auto Holdings Company Limited which was principally engaged in operation of fast repairing workshops from October 2008 to September 2015 and the convenor of Vehicle Maintenance Technical Advisory Committee of Electrical and Mechanical Services Limited from April 2012 to March 2018. Mr. Lee has been the chairman of The Institute of The Motor Industry Hong Kong since August 1999, the managing director of Cartel Motors Limited since October 2015 and the chairman of the Automotive Industry Training Advisory Committee under the Education Bureau in Hong Kong since January 2017.

Mr. Poon Tak Ching (潘德政, "Mr. Poon"), aged 44, was appointed as an independent non-executive Director on 27 May 2019 and is responsible for providing independent advice to our Board. Mr. Poon is also the chairman of the audit committee of the Company and a member of each of the remuneration committee and the nomination committee of the Company. Mr. Poon has over 21 years of experience in the field of banking, accounting and corporate finance.

Mr. Poon obtained his Bachelor's degree in Business Administration from the Chinese University of Hong Kong in December 2004. He was admitted as a member of the Association of Chartered Certified Accountants in June 2016. Mr. Poon worked in The Hongkong and Shanghai Banking Corporation Limited from July 2004 to July 2016 and his last position was senior vice president in commercial banking department. Mr. Poon was appointed as a director of CMB Corporate Services Limited which is principally engaged in provision of corporate services in April 2017. Mr. Poon was a responsible officer for Yango International Financial Holdings Limited, which is licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), from December 2016 to July 2021.

Mr. Pang Cheung Wai, Thomas (彭長緯, "Mr. Pang"), GBS, JP, aged 72, was appointed as an independent non-executive Director on 27 May 2019 and is responsible for providing independent advice to our Board. Mr. Pang is also the chairman of the remuneration committee of the Company and a member of each of the audit committee and the nomination committee of the Company. Mr. Pang has 25 years of experience in public administration.

Mr. Pang completed a training programme in relation to Enterprise Training National Professional Certification* (企業培訓師國家職業資格認證) organised by The Open University of Guangdong* (廣東開放大學) (formerly known as Guangdong Radio and Television University* (廣東廣播電視大學)) in January 2005.

* *For identification purpose only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Pang is currently a panel member of Municipal Services Appeals Board of Administration Wing, Chief Secretary for Administration's Office of Hong Kong. Mr. Pang was awarded the Bronze Bauhinia Star, the Silver Bauhinia Star and the Gold Bauhinia Star in July 2008, July 2015 and October 2020 respectively.

SENIOR MANAGEMENT

Mr. Zhang Zhiming (張志明, "Mr. Zhang"), aged 47 is the head of production department of the Group. Mr. Zhang is responsible for the overall management of the production of our Group. He joined the Group in February 2002 as a leader of the colour mixing team. Subsequently, Mr. Zhang was further promoted to be the manager and head of production department of the Group in January 2015 and February 2018, respectively.

Mr. Zhang obtained the safety production training certificate in respect of manufacturing dangerous chemical products in June 2018. He obtained his bachelor's degree in Business Management in Beijing Institute of Technology* (北京理工大學) in July 2019.

Ms. Liu Hua (劉花, "Ms. Liu"), aged 46, is the senior sales manager of the Group. Ms. Liu joined the Group in August 2004 as a customer service officer and was subsequently promoted to be the supervisor, manager and senior sales manager of the Group in February 2006, January 2009 and September 2016, respectively. As the senior sales manager, Ms. Liu is responsible for the overall management of the sales and marketing of the PRC market of the Group as well as liaising with clients in order to increase service standards. Her specific duties include, but not limited to, the management involved before and after sale as well as the administrative affairs of the domestic sales department. Ms. Liu organises training sessions for sales assistants and regulates the issuance and implementation of sales policies. Ms. Liu also supervises regional managers in achieving their sales objectives, and integrates feedback and information from the market such that existing mechanisms and service standards may be enhanced.

Ms. Liu completed a pre-school education programme from Guangzhou Xinfu High Level Education School* (廣州市信孚高等師範學校) in July 1999.

Ms. Zeng Caixia (曾彩霞, "Ms. Zeng"), aged 40, is the finance manager of the Group. Ms. Zeng joined the Group in April 2008 as an accountant during which she has accumulated experiences in handling the Group's financial matters such as management of account receivables and payables and cost accounting. Ms. Zeng was subsequently promoted to be the finance manager in September 2017. As the finance manager, Ms. Zeng is responsible for the overall management of the finance and accounting, taxation and treasury of the Group and ensuring that the financial department of the Company functions properly. Her specific duties include, but not limited to, reviewing the salaries of employees and organising training sessions for staff. She is responsible for the department's strategic planning and budgeting. Furthermore, Ms. Zeng reviews the Company's financial accounts, reports on the Company's tax payable, and assists the Company in applying for subsidies from the government.

Ms. Zeng obtained her college diploma in accounting from the Open University of China (國家開放大學) (formerly known as the China Central Radio and TV University (中央廣播電視大學) in January 2008. Ms. Zeng obtained her bachelor's degree in respect of accountancy from Guangdong University of Finance & Economics* (廣東財經大學) on a part-time basis in January 2019. Ms. Zeng obtained her qualification as tax accountant* (稅務會計師) from the Centre of Education and Training of the Ministry of Human Resources and Social Security of the People's Republic of China* (中華人民共和國人力資源和社會保障部教育培訓中心) in January 2019. Ms. Zeng obtained the accounting professional qualification from the Ministry of Human Resources and Social Security of the People's Republic of China* (中華人民共和國人力資源和社會保障部) and the Ministry of Finance* (財政部) in September 2023.

* *For identification purpose only*

DIRECTORS' REPORT

The Directors are pleased to present to the Shareholders this annual report and the audited consolidated financial statements for the Reporting Period.

GROUP REORGANISATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 4 May 2018. Pursuant to a reorganisation scheme to rationalize the structure of the Group in preparation for the listing of the Shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 15 May 2019. On 21 June 2019, the Shares were listed on the Main Board of the Stock Exchange (the "Listing Date").

During the Reporting Period, there was no group reorganisation.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 1 to the financial statements.

BUSINESS REVIEW

The business review of the Group for the Reporting Period is set out in the sections headed "Chairlady's Statement", "Management Discussion and Analysis", "Corporate Governance Report", "Environmental, Social and Governance Report" and "Financial Summary" on pages 3 to 62 and page 160 of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 87 to 159.

The Board has resolved to recommend a final dividend of HK3.78 cents per Share for the Reporting Period (2024: HK2.19 cents per Share) which will be subject to the approval of the Shareholders at the forthcoming AGM. The final dividend will be payable on or before 6 July 2026. To the knowledge of the Company, there was no arrangement under which the shareholders waived or agreed to waive any dividend. During the Reporting Period, an interim dividend of HK3.24 cents per Share was declared.

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 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.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 160 of this annual report.

DIRECTORS' REPORT

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 16 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in note 27 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to the existing Shareholders.

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.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

RESERVES

The movements in the reserves of the Group during the Reporting Period are set out in the consolidated statement of changes in equity of this annual report.

CHARITABLE DONATIONS

HKD60,000 charitable donations were made by the Company during the Reporting Period (2024: RMB568,800).

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserve available for distribution to owners was approximately HK$502.5 million (2024: approximately HK$459.2 million). This includes the Company's share premium and is available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

PENSION SCHEME

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the ''MPF Scheme'') under the Mandatory Provident Fund Schemes Ordinance for those Hong Kong employees who are eligible to participate in the MPF Scheme, which contributions are made based on a percentage of the employees' basic salaries and the employees of the Group's subsidiaries which operates in Chinese Mainland are required to participate in a central pension scheme (the "Central Pension Scheme") operated by the local municipal government, which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Central Pension Scheme. The Group also participates in the employee pension schemes (together with the MPF Scheme and the Central Pension Scheme, the "Defined Contribution Schemes") in Japan and Thailand where the Group operates in accordance with the respective applicable labour regulations, which the Group is required to make defined contributions at rates calculated as a certain percentage or sum of the monthly payroll. The contributions by the Group for the Defined Contribution Schemes are charged to the consolidated statement of profit or loss as they become payable in accordance with the relevant rules of the respective Schemes.

DIRECTORS' REPORT

The Group's contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended 31 December 2024 and 31 December 2025, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 31 December 2024 and 31 December 2025.

For each of the two years ended 31 December 2024 and 31 December 2025, the Group did not have any defined benefit plan.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the Reporting Period under review.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner.

Our major suppliers are generally manufacturers for the production of aerosol cans, solvents, aerosol valves and liquefied petroleum gas, and had business relationship with the Group for over 8 years on average. Our largest supplier is headquartered in Guangdong, China and operated as metal container manufacturing business. The credit period from the major suppliers is 30 to 90 days. The payables were usually settled within the credit period. Details of the trade and bills payables of the Group as at 31 December 2025 are set out in note 22 to the financial statements. Up to the date of this report, approximately 100% of the trade and bills payable to the major suppliers has been settled.

The Company's principal activities are manufacturing of aerosol products used in the automotive care products and personal care products, which rely on, among other things, sufficient supply of the aerosol cans, solvents, aerosol valves and liquefied petroleum gas. The Company is subject to price fluctuation in raw materials prices and could face shortage in supply of raw materials. To mitigate the risk, the Company has estimated certain periods of the material usages and maintained the safety raw material inventory level. The Company has also developed business relationships with more suppliers for specific raw materials in order to diversify the risk of relying on single supplier.

During the Reporting Period, the Group did not have any significant disputes with our major suppliers.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analyze on customers' feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

Our major customers include consumer brand manufacturers of automotive care products and personal care products. The years of business relationship with the Group ranged from 5 to 14 years and the credit terms granted to the major customers is 0 to 105 days. Details of the trade and bills receivables of the Group as at 31 December 2025 are set out in note 19 to the financial statements. Up to the date of this report, approximately 31.2% of the trade and bills receivables from the major customers has been settled.

DIRECTORS' REPORT

Most of the Group's revenue was generated from customers in the PRC and Japan. Should there be any material adverse change in the political, economic, legal or social conditions in the PRC and Japan and the Group is unable to divert sales to other markets outside of the PRC and Japan, the turnover, profitability and prospects may be adversely affected. In order to mitigate such risk, the Group will put efforts to expand overseas market and increase the proportion of overseas sales. During the year ended 31 December 2025, we have export sales to America and Asia countries other than PRC and Japan, etc. The Group will also continue to review competitive edges of the Group in the industry and market trend.

During the Reporting Period, the Group has not experienced any major disruption of business due to material delay or default of payment by our customers due to their financial difficulties. We did not have any material dispute with our customers.

MAJOR SUPPLIERS AND CUSTOMERS

For the Reporting Period, purchases from the single largest supplier of the Group and the five largest suppliers of the Group in aggregate accounted for approximately 6.7% (2024: approximately 7.0%) and 28.9% (2024: approximately 28.5%) of the Group's total purchases respectively. Among the purchase of these five largest suppliers, the purchase with the connected entity, which was disclosed in note 32, was HK$12.0 million (2024: HK$13.8 million), accounting for 3.2% (2024: approximately 3.6%) of the Group's purchase in 2025.

Except as disclosed in the section headed "Substantial Shareholders' and Other Persons' Interest and Short Positions in Shares and Underlying Shares" at no time during the Reporting Period have the Directors or any of their close associates or any Shareholders who, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital had an interest in any of the five largest suppliers.

For the Reporting Period, sales to the single largest customer of the Group and the five largest customers of the Group in aggregate accounted for approximately 13.2% (2024: approximately 10.7%) and 24.4% (2024: approximately 21.6%) of the Group's total turnover respectively.

At all-time during the Reporting Period, none of the Directors or any of their close associates or any Shareholders who, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital had an interest in any of the five largest customers.

DIRECTORS

The Directors in office during the Reporting Period and up to the date of this report are:

Executive Directors

Ms. Ko Sau Mee *(Chairlady and Chief Executive)*
Ms. Lin Hing Lei
Mr. Lin Hing Lung
Mr. Yang Xiaoye

DIRECTORS' REPORT

Independent Non-executive Directors

Mr. Lee Yiu Pui
Mr. Poon Tak Ching
Mr. Pang Cheung Wai, Thomas, GBS, JP

In accordance with article 108(a) and article 108(b) of the Articles, every Director shall retire from office once every three years and for this purpose, at each AGM one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) but not less than one-third (1/3) shall retire from office by rotation. The Directors to retire in every year will be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Subject to the Articles, a retiring Director shall be eligible for re-election at the meeting at which he retires. For avoidance of doubt, each Director shall retire at least once every three (3) years.

Ms. Ko Sau Mee, Mr. Yang Xiaoye and Mr. Lee Yiu Pui will retire in accordance with article 108(a) of the Articles at the forthcoming AGM and being eligible, offer themselves for re-election.

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Group within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and the senior management of the Group are set out on pages 63 to 66 of this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed herein, there were no contracts of significance (including for the provision of services) with any member of the Group as the contracting party and in which any of the Controlling Shareholders possessed direct or indirect substantial interests, and which was still valid on 31 December 2025 or any time during such year and related to the business of the Group.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules are as follows:

(i) Long positions in the Shares and underlying Shares of the shares options granted under the Pre-IPO Share Option Scheme of the Company

	Number of Ordinary Shares			Interests in underlying Shares		
Name of Directors	Beneficial owner	Interest of family	Interests in a controlled corporation	Share options (Note 1)	Total	Approximate percentage of the issued Shares (Note 2)
Ms. Ko Sau Mee ("Mrs. Lin")	–	107,788,500 (Note 3)	67,000,000 (Note 4)	500,000	175,288,500	74.94%
Ms. Lin Hing Lei	200,500	–	–	277,500	478,000	0.20%
Mr. Lin Hing Lung	–	–	–	500,000	500,000	0.21%
Mr. Yang Xiaoye	–	–	–	300,000	300,000	0.13%
Mr. Poon Tak Ching	368,000	–	–	–	368,000	0.16%

Notes:

(1) These share options represent the awarded underlying Shares granted to the Directors under a pre-IPO share option scheme of the Company (the "Pre-IPO Share Option Scheme") which was adopted on 12 April 2019. Details of the Pre-IPO Share Option Scheme have been disclosed in the section headed "Pre-IPO Share Option Scheme".

(2) These percentages have been compiled based on the total number of issued Shares as at 31 December 2025 (i.e. 233,917,250 Shares).

(3) These Shares are held by Mr. Lin Wan Tsang, as Mrs. Lin is the spouse of Mr. Lin Wan Tsang, Mrs. Lin is deemed to be interested in all the Shares held by Mr. Lin Wan Tsang by virtue of the SFO.

(4) These Shares are held by Wellmass International Limited ("Wellmass"), which is wholly and beneficially owned by Mr. Lin Wan Tsang. As Mrs. Lin is the spouse of Mr. Lin Wan Tsang, Mrs. Lin is deemed to be interested in all the Shares held by Mr. Lin Wan Tsang (through Wellmass) by virtue of the SFO.

DIRECTORS' REPORT

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective close associates had registered any interests or short positions in any Shares, underlying Shares in, and debentures of, the Company or any associated corporations as at 31 December 2025, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

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

As at 31 December 2025, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

(i) Long Positions in the Shares

Name of shareholders	Capacity/Nature of interests	Number of Shares held	Approximate percentage of issued Shares (Note 1)
Mr. Lin Wan Tsang	Beneficial Owner	107,788,500	46.08%
	Interest of spouse	500,000 (Note 2)	0.21%
	Interests in a controlled corporation	67,000,000 (Note 3)	28.64%
Wellmass	Beneficial Owner	67,000,000 (Note 3)	28.64%

Notes:

(1) These percentages have been compiled based on the total number of issued Shares as at 31 December 2025 (i.e. 233,917,250 Shares).

(2) These underlying Shares are held by Mrs. Lin, as Mr. Lin Wan Tsang is the spouse of Mrs. Lin, Mr. Lin Wan Tsang is deemed to be interested in all the Shares held by Mrs. Lin by virtue of the SFO.

(3) These Shares are held by Wellmass, a company incorporated in the British Virgin Islands, and is solely and beneficially owned by Mr. Lin Wan Tsang.

Save as disclosed above, as at 31 December 2025, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, no transactions, arrangements or contracts of significance to which the Company, its parent company, its subsidiaries or fellow subsidiaries were a party and in which a Director or his connected entities had a material interest, either directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

DIRECTORS' REPORT

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of independence, and the Company considers that each of them to be independent and has met the guidelines set out in Rule 3.13 of the Listing Rules.

INDEMNITY OF DIRECTORS

The Articles provide that the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses. The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

Each of Mr. Lin Wan Tsang and Wellmass International Limited (together the "Controlling Shareholders"), had entered into a deed of non-competition dated 27 May 2019 (the "Deed of Non-Competition") in favour of the Company (for itself and as trustee for each of other members of the Group), pursuant to which each of the Controlling Shareholders shall not engage in any business which is or may be in competition with the business of the Group from to time so long as it remains as a Controlling Shareholder. For details of the Deed of Non-Competition, please refer to the Company's prospectus dated 3 June 2019.

Each of the Controlling Shareholders has made an annual declaration by providing a written confirmation (altogether the "Confirmations") to the Company confirming that he/it has fully complied with the non-competition undertakings pursuant to the Deed of Non-Competition (the "Non-Competition Undertakings") and did not conduct any competing business with the Group for the year ended 31 December 2025.

Upon receiving the Confirmations, the independent non-executive Directors (the "INEDs") have reviewed the same as part of the annual review process. In determining whether the Controlling Shareholders have fully complied with the Non-Competition Undertakings for the year ended 31 December 2025, the INEDs noted that (i) each of the Controlling Shareholders has declared that he/it has fully complied with the Non-Competition Undertakings for the year ended 31 December 2025; (ii) no competing business was reported by the Controlling Shareholders for the year ended 31 December 2025; and (iii) there was no particular situation rendering the full compliance of the Non-Competition Undertakings being questionable. In view of the above, the INEDs are satisfied that the Controlling Shareholders have fully complied with the Non-Competition Undertakings for the year ended 31 December 2025.

As at 31 December 2025, the Company was not aware of any other matters regarding the compliance of the Non-Competition Undertakings and there has not been any change in the terms of the Deed of Non-Competition since the listing of the Shares on the Stock Exchange.

As at 31 December 2025, the Directors were not aware of any business or interest of the Directors and their respective close associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above and "Pre-IPO Share Option Scheme" below, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective close associates nor was the Company, its parent company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors, or their respective close associates to acquire such rights in any other body corporate.

EQUITY-LINKED AGREEMENTS

Details of equity-linked agreements entered during the Reporting Period or subsisting at the end of the Reporting Period are set out below:

DIRECTORS' REPORT

Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme on 12 April 2019 so as to recognize and motivate the contributions that certain executive and non-executive Directors, members of the senior management and other employees (the "Grantees") have made or may make to our Group.

No option shall be granted to any eligible participant which, if exercised in full would result in the total number of the Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the Pre-IPO Share Option Scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of the Shares in issue as maximum entitlement as at the date of such grant.

Initially, options to subscribe for an aggregate of 7,765,000 Shares had been granted to the Grantees. The total number of shares available for issue under the Pre-IPO Share Option Scheme is 6,557,500 Shares, representing approximately 2.80% of the total issued Shares as at the date of this annual report. The number of shares that may be issued in respect of options granted under the Pre-IPO Share Option Scheme of the Company during the Year is 6,557,500, representing 2.80% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 December 2025. The remaining life of the Pre-IPO Share Option Scheme is nil. No further options will be granted by the Company pursuant to the Pre-IPO Share Option Scheme. The exercise price per Share is HK$2.17, which is primarily determined with reference to the fair value of the Shares as at 31 December 2018 based on an independent valuation performed by an independent valuer appointed by the Company. All options granted under the Pre-IPO Share Option Scheme on 17 May 2019 may be exercised in the following manner:

Exercise Period	Maximum percentage of options exercisable
Commencing on the first anniversary date of the Listing Date upon certain fulfillment of certain conditions and ending on the 10th anniversary date of the offer date (the "Expiration Date") (both dates inclusive)	50% of the total number of options granted to each of the Grantees
Commencing on the second anniversary date of the Listing Date upon certain fulfillment of certain conditions and ending on the Expiration Date (both dates inclusive)	50% of the total number of options granted to each of the Grantees

An option may be exercised in accordance with the terms of the Pre-IPO Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the Listing Date subject to the provisions of early termination thereof. An offer for the grant of options must be accepted not later than 21 days from the offer date and a remittance of HK$1 is payable on acceptance of the grant of an option.

DIRECTORS' REPORT

Set out below is further information on the outstanding share options granted under the Pre-IPO Share Option Scheme as at 31 December 2025:

		Number of share options						
Names of the Grantees	Date of grant	Outstanding as at 1 January 2025	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 31 December 2025	Exercise price per Share HK$
Directors								
Ms. Ko Sau Mee	17 May 2019	500,000	–	–	–	–	500,000	2.17
Ms. Lin Hing Lei	17 May 2019	277,500	–	–	–	–	277,500	2.17
Mr. Lin Hing Lung	17 May 2019	500,000	–	–	–	–	500,000	2.17
Mr. Yang Xiaoye	17 May 2019	300,000	–	–	–	–	300,000	2.17
Others								
Employees	17 May 2019	5,030,000	–	–	(50,000)	–	4,980,000	2.17
Total		6,607,500	–	–	(50,000)	–	6,557,500	

During the Reporting Period, 50,000 share options were lapsed.

Save as disclosed, during the Reporting Period, no share options were granted, exercised, lapsed and cancelled under the Pre-IPO Share Option Scheme.

Further details of the Pre-IPO Share Option Scheme are set out in note 28 to the financial statements.

Share Option Scheme

The Company adopted the Share Option Scheme on 12 April 2019, which became effective on the Listing Date.

The Share Option Scheme is a share incentive scheme and is established to recognize and motivate the contributions that eligible participants have made or may make to the Group. The eligible participants include employees (whether full-time or part-time), directors of the Company or any subsidiary or any entity in which the Group holds at least 20% of its issued share capital (the "Invested Entity"), suppliers, customers, technological service providers, Shareholders, consultants, joint venture or other business partners to any member of the Group or any Invested Entity. The eligible participants shall be determined by the Board from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the Share Option Scheme is nil at the beginning and at the end of the financial year. No option shall be granted to any eligible participant which, if exercised in full would result in the total number of the Shares issued and to be issued upon exercise of the options already granted or to be granted to such eligible participant under the Share Option Scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of the Shares in issue as maximum entitlement as at the date of such grant. Any grant of further options above this limit shall be subject to the approval of the Shareholders at general meeting.

DIRECTORS' REPORT

The exercise price for any share option under the Share Option Scheme shall be a price determined by the Board and shall not be less than the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date of the relevant option; (ii) an amount equivalent to the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the offer date of the relevant option; and (iii) the nominal value of a share on the offer date.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the offer date subject to the provisions of early termination thereof. An offer for the grant of options must be accepted not later than 21 days from the offer date and a remittance of HK$1 is payable on acceptance of the grant of an option.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption. The remaining life of the Share Option Scheme is nil year. No share option shall be granted under the Share Option Scheme and the total number of Shares available for issue under the Share Option Scheme is nil, representing approximately 0% of the issued Shares as at the date of this report.

The number of shares that may be issued in respect of options granted under the Share Option Scheme of the Company during the year ended 31 December 2025 is nil, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 December 2025.

The Share Option Scheme was terminated on 19 May 2023.

2023 Share Option Scheme

The Company adopted the 2023 Share Option Scheme on 19 May 2023, which became effective on the same date.

The 2023 Share Option Scheme is a share incentive scheme and is established to recognize and motivate the contributions that eligible participants have made or may make to the Group. The eligible participants include employee participants, related entity participants and service providers. 2,339,172 options are available for grant under the service provider sublimit at the beginning and the end of the financial year. The eligible participants shall be determined by the Board from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

Subject to the terms and conditions of the 2023 Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the 2023 Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the shares in issue as at the date of the Annual General Meeting on 19 May 2023 (i.e. 23,391,725 Shares), where the 2023 Share Option Scheme adopted in 2023, which is 23,391,725 Shares at the beginning and at the end of the financial year unless approved by the Shareholders. No option shall be granted to any eligible participant which, if exercised in full would result in the total number of the Shares issued and to be issued upon exercise of the options already granted or to be granted to such eligible participant under the 2023 Share Option Scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of the Shares in issue as maximum entitlement as at the date of such grant. Any grant of further options above this limit shall be subject to the approval of the Shareholders at general meeting.

The exercise price for any share option under the 2023 Share Option Scheme shall be a price determined by the Board and shall not be less than the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date of the relevant option; (ii) an amount equivalent to the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the offer date of the relevant option; and (iii) the nominal value of a share on the offer date.

DIRECTORS' REPORT

An option may be exercised in accordance with the terms of the 2023 Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the offer date subject to the provisions of early termination thereof. The vesting period for options shall not be less than 12 months. An offer for the grant of options must be accepted not later than 21 days from the offer date and a remittance of HK$1 is payable on acceptance of the grant of an option.

Subject to earlier termination by the Company in general meeting or by the Directors, the 2023 Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption. The remaining life of the 2023 Share Option Scheme is 7 years. No share option has been granted under the 2023 Share Option Scheme and the total number of Shares available for issue under the 2023 Share Option Scheme is 23,391,725 Shares, representing approximately 10% of the issued Shares as at the date of this report.

The number of shares that may be issued in respect of options granted under the 2023 Share Option Scheme of the Company during the year ended 31 December 2025 is nil, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 December 2025.

CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 32 to the financial statements constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

For the Reporting Period, the Group entered into various transactions which constituted continuing connected transactions under Chapter 14A of the Listing Rules and are continuing after the Listing Date. All the continuing connected transactions during the Reporting Period that need to be disclosed herein are in compliance with the Listing Rules. The actual monetary value of the continuing connected transactions of the Group for the Reporting Period is set out below:

Connected Person	Nature of Transactions	Actual monetary value for the year ended 31 December 2025 HK$'000
China Aluminum Cans and its subsidiaries (collectively, the "China Aluminum Cans Group") ("Master Supply Agreement")		
Euro Asia Packaging (Guangdong) Co., Limited* (廣東歐亞包裝有限公司, "Euro Asia Packaging")	Purchase of products	12,191

** For identification purpose only*

Further information on Master Supply Agreement is provided as follows:

Master Supply Agreement:
China Aluminum Cans Group is including, but not limited to, Euro Asia Packing and Hong Kong Aluminum Cans Limited.

On 17 April 2019, Hong Kong Aluminum Cans Limited and the Company (for itself and on behalf of its subsidiaries) entered into the master supply agreement (as amended and supplemented by a supplemental agreement dated 7 May 2019) (the "Master Supply Agreement"), pursuant to which the Group agreed to purchase from China Aluminum Cans Group certain monobloc aluminum aerosol cans from the Listing Date to 31 December 2021.

DIRECTORS' REPORT

The Master Supply Agreement expired on 31 December 2021 and renewed on 8 December 2021, for a term of three years from 1 January 2022 to 31 December 2024 (both days inclusive). To further continue the purchase certain monobloc aluminum aerosol cans from the China Aluminum Cans Group after 31 December 2024 during its ordinary and usual course of business, on 6 January 2025, China Aluminum Cans (for itself and on behalf of its subsidiaries) and the Company (for itself and on behalf of its subsidiaries) entered into another master supply agreement (the "2025 Master Supply Agreement") in relation to the purchase of certain monobloc aluminum aerosol cans by the Group from the China Aluminum Cans Group for a term of three years from 1 January 2025 to 31 December 2027 (both days inclusive). The selling price was determined with reference to the costs of products (including with the logistic costs, taxes, insurance and other relevant costs) plus a profit margin, selling price offered to independent customers and of the same or comparable products in the market.

As set out in the announcement of the Company dated 6 January 2025, the circular of the Company dated 27 January 2025 the annual caps under the 2025 Master Supply Agreement (the "Annual Caps") for the three years ending 31 December 2026, 31 December 2027 and 31 December 2028 were HK$28 million, HK$29 million and HK$31 million, respectively.

Mr. Lin Wan Tsang ("Mr. Lin") the Controlling Shareholder, is a connected person of the Company. On the other hand, Mr. Lin is the Controlling Shareholder of China Aluminum Cans and therefore a connected person of the Company. Accordingly, the entering into of the 2025 Master Supply Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (other than the profits ratio) as defined under the Listing Rules for the Annual Caps exceeds 5%, the New Master Supply Agreement and the transactions contemplated thereunder (including the Annual Caps) are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company's auditor was engaged to report on the non-exempt continuing connected transaction and has issued a letter to the Board setting out the confirmation required under Rule 14A.56 of the Listing Rules and a copy of which has been provided by the Company to the Stock Exchange.

All independent non-executive Directors had reviewed the non-exempt continuing connected transaction and confirmed that the non-exempt continuing connected transaction for the Reporting Period was:

(i) in the ordinary and usual course of the Company's business;

(ii) on normal commercial terms or better to the Company; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued shares was held by the public as at the date of this report.

DIRECTORS' REPORT

FUTURE PROSPECTS AND DEVELOPMENT

Our management believes 2026 will be a difficult year for the Group due to (i) the uncertainty in the global economic environment; (ii) increase in tension of supply chain caused by ongoing international conflicts; (iii) the recovery of economic of PRC remain fragile; (iv) the volatile fluctuation of RMB against USD which will increase the uncertainties of export sales; (v) the uncertainty in trade protectionism; and (vi) the increasing competition from small-sized competitors.

Whatever the market fluctuations may bring, our Group remains optimistic about the outlook of the worldwide and domestic automotive beauty and personal care manufacturing industry. The Group will focus on developing our Original Brand Manufacturing business by broadening the international markets, implementing the e-commerce strategies, launching new series of products to meet market demands and enhancing the brand recognition.

AUDITOR

Ernst & Young, the auditor of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer itself for re-appointment. A resolution will be submitted to the AGM to be held on 22 May 2026 to seek the Shareholders' approval on the appointment of Ernst & Young as the Company's auditor until the conclusion of the next AGM and to authorize the Board to fix its remuneration.

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

INDEPENDENT AUDITOR'S REPORT

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To the shareholders of Precious Dragon Technology Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Precious Dragon Technology Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 87 to 159, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Inventory provisions	
As at 31 December 2025, the carrying amount of inventories amounted to HK$38.14 million, net of allowance for inventory obsolescence of HK$4.97 million. The inventories were valued at the lower of cost or net realisable value. Management periodically performs stock take to identify damaged, slow-moving and obsolete inventories. The determination of the net realisable value reflects management's best estimate of the likely sales prices and the physical condition of inventories, based on the categories and ageing of the inventories. Significant judgements and estimates were required in determining the net realisable value, including the likely sales prices for different categories of inventories. These judgements and estimates have a material impact on the calculation of net realisable value. As a result, this matter was considered as a key audit matter. Details of the inventory provisions are disclosed in note 5 "Material accounting policies", note 6 "Significant accounting judgements and estimates", note 9 "Profit before tax" and note 18 "Inventories" to the consolidated financial statements.	We evaluated management's process of identifying damaged, slow-moving and obsolete inventories and calculating the provisions. We tested the ageing analysis of inventories, on a sample basis, by checking to the invoices and other relevant supporting documents. We tested, on a sample basis, the estimated selling prices of significant inventory items to the actual selling price subsequent to the year end or latest sales data and compared the estimated selling prices of selected inventory items against their costs. We assessed the methodology and assumptions used in the calculation of the net realisable value of the inventories; and recalculated the amount of provisions on inventories. We observed the condition of inventories in stock-take to identify obsolete and damaged inventories.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment	
As at 31 December 2025, the carrying amount of the Group's property, plant and equipment totalled HK$173.34 million. Management conducts an annual review of these assets for indicators of impairment. Where indicators are identified, management performs a detailed assessment of the recoverable amounts of the affected assets. The audit of management's impairment assessment was complex and involved significant estimation and judgement, particularly in projecting future cash flows. Key assumptions included revenue growth rate and gross profit margin, and the selection of appropriate discount rates used to determine the present value of those cash flows. These estimates are highly sensitive to changes in market conditions, economic trends, and other external factors, which may materially affect the outcome of the impairment test. Details regarding the impairment of long-term assets are disclosed in note 5 "Material accounting policies", note 6 "Significant accounting judgements and estimates", note 9 "Profit before tax" and note 16 "Property, plant and equipment" of the consolidated financial statements.	We evaluated management's identification and assessment of impairment indicators, including reviewing the rationale and documentation supporting the determination of whether indicators existed for specific assets. We assessed the appropriateness and consistency of the Group's impairment testing methodology against industry practices and applicable accounting standards. We critically evaluated the key assumptions underpinning management's cash flow projections by comparing them with the Group's historical performance, relevant market and economic data. We engaged our valuation specialists to assist us in assessing the valuation methodologies and the assumptions used, including the discount rates. We evaluated the adequacy and transparency of the disclosures in the financial statements, including the nature and extent of assumptions used, the basis for determining recoverable amounts, and the impact of the impairment assessment on the financial statements.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lok Man Ho (practising certificate number: P07045).

Ernst & Young
Certified Public Accountants
Hong Kong

16 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
REVENUE	8	**655,824**	612,967
Cost of sales		**(370,123)**	(385,719)
Gross profit		**285,701**	227,248
Other income and gains	8	**29,590**	13,566
Selling and distribution expenses		**(124,941)**	(90,047)
Administrative expenses		**(53,039)**	(57,982)
Research and development expenses	9	**(22,744)**	(24,313)
Reversal of impairment losses/(impairment losses) on financial assets, net	9	**310**	(8,602)
Other expenses		**(14,980)**	(7,753)
Finance costs	10	**(1,277)**	(1,862)
PROFIT BEFORE TAX	9	**98,620**	50,255
Income tax expenses	13	**(39,801)**	(16,186)
PROFIT FOR THE YEAR		**58,819**	34,069
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		**5,794**	(4,683)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**64,613**	29,386
Profit attributable to:			
Owners of the parent		**58,819**	34,069
Non-controlling interests		**—**	—
		58,819	34,069
Total comprehensive income attributable to:			
Owners of the parent		**64,594**	29,371
Non-controlling interests		**19**	15
		64,613	29,386
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	15		
Basic		**HK25.1 cents**	HK14.6 cents
Diluted		**HK25.1 cents**	HK14.6 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	**173,338**	206,350
Right-of-use assets	17	**46,827**	46,937
Deferred tax assets	26	**5,622**	5,723
Prepayments, deposits and other receivables	20	**8,027**	7,829
Total non-current assets		**233,814**	266,839
CURRENT ASSETS			
Inventories	18	**38,143**	36,839
Trade and bills receivables	19	**64,518**	46,791
Prepayments, other receivables and other assets	20	**14,814**	15,561
Pledged bank deposits	21	**4,167**	4,890
Cash and cash equivalents	21	**169,061**	105,610
Total current assets		**290,703**	209,691
CURRENT LIABILITIES			
Trade and bills payables	22	**47,033**	41,620
Other payables and accruals	23	**53,031**	61,086
Interest-bearing bank and other borrowings	24	**10,964**	10,160
Tax payable		**23,331**	125
Deferred income	25	**221**	216
Total current liabilities		**134,580**	113,207
NET CURRENT ASSETS		**156,123**	96,484
TOTAL ASSETS LESS CURRENT LIABILITIES		**389,937**	363,323
NON-CURRENT LIABILITIES			
Due to a related party	23	**—**	17,400
Interest-bearing bank and other borrowings	24	**5,477**	15,155
Deferred tax liabilities	26	**6,627**	4,640
Deferred income	25	**443**	648
Total non-current liabilities		**12,547**	37,843
Net assets		**377,390**	325,480

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	27	**2,339**	2,339
Reserves	29	**375,460**	323,569
		377,799	325,908
Non-controlling interests		**(409)**	(428)
Total equity		**377,390**	325,480

Ko Sau Mee
Director

Lin Hing Lung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent										
	Share capital HK$'000 (note 27)	Share premium account HK$'000	Merger reserve HK$'000	Share option reserve HK$'000 (note 28)	Other reserve HK$'000 (note 29)	Reserve funds HK$'000 (note 29)	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2025	2,339	38,507	(62,722)	5,145	(107,016)	54,275	(25,343)	420,723	325,908	(428)	325,480
Profit for the year	—	—	—	—	—	—	—	58,819	58,819	—	58,819
Other comprehensive income for the year:											
Exchange differences related to foreign operations	—	—	—	—	—	—	5,775	—	5,775	19	5,794
Total comprehensive income for the year	—	—	—	—	—	—	5,775	58,819	64,594	19	64,613
Transfer of share option reserve upon the forfeiture or expiry of share options	—	—	—	(32)	—	—	—	32	—	—	—
Transfer from retained profits	—	—	—	—	—	2,833	—	(2,833)	—	—	—
Dividends paid	—	—	—	—	—	—	—	(12,703)	(12,703)	—	(12,703)
At 31 December 2025	2,339	38,507#	(62,722)#	5,113#	(107,016)#	57,108#	(19,568)#	464,038#	377,799	(409)	377,390

	Attributable to owners of the parent										
	Share capital HK$'000 (note 27)	Share premium account HK$'000	Merger reserve HK$'000	Share option reserve HK$'000 (note 28)	Other reserve HK$'000 (note 29)	Reserve funds HK$'000 (note 29)	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2024	2,339	38,507	(62,722)	5,210	(107,016)	53,021	(20,645)	399,677	308,371	(443)	307,928
Profit for the year	—	—	—	—	—	—	—	34,069	34,069	—	34,069
Other comprehensive loss for the year:											
Exchange differences related to foreign operations	—	—	—	—	—	—	(4,698)	—	(4,698)	15	(4,683)
Total comprehensive income for the year	—	—	—	—	—	—	(4,698)	34,069	29,371	15	29,386
Transfer of share option reserve upon the forfeiture or expiry of share options	—	—	—	(65)	—	—	—	65	—	—	—
Transfer from retained profits	—	—	—	—	—	1,254	—	(1,254)	—	—	—
Dividends paid	—	—	—	—	—	—	—	(11,834)	(11,834)	—	(11,834)
At 31 December 2024	2,339	38,507#	(62,722)#	5,145#	(107,016)#	54,275#	(25,343)#	420,723#	325,908	(428)	325,480

Note:

\# These reserve accounts comprise the consolidated reserves of HK$375,460,000 (2024: HK$323,569,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**98,620**	50,255
Adjustments for:			
Finance costs	10	**1,277**	1,862
Bank interest income	8	**(2,215)**	(2,361)
(Gain)/loss on disposal of property, plant and equipment, net	9	**(14,154)**	72
Depreciation of property, plant and equipment	16	**16,294**	21,742
Depreciation of right-of use assets	17	**1,539**	1,505
(Reversal of write-down)/write-down of inventories to net realisable value	9	**(2,771)**	26
Impairment losses on property, plant and equipment	9	**13,316**	6,594
(Reversal of impairment losses)/impairment losses on financial assets, net	9	**(310)**	8,602
		111,596	88,297
Decrease in inventories		**3,331**	5,644
Increase in trade and bills receivables		**(15,338)**	(20,769)
Decrease/(increase) in prepayments, other receivables and other assets		**1,791**	(8,368)
Increase/(decrease) in trade and bills payables		**4,233**	(11,316)
(Decrease)/increase in other payables and accruals		**(17,731)**	6,164
Increase/(decrease) in deferred income		**7,779**	(216)
Withdrawal of pledged bank deposits		**830**	6,803
Cash generated from operations		**96,491**	66,239
Withholding tax paid		**(2,149)**	(2,069)
Tax paid		**(12,586)**	(15,819)
Net cash flows from operating activities		**81,756**	48,351

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(8,965)**	(22,437)
Proceeds from disposal of items of property, plant and equipment		**35,446**	75
Interest received		**2,215**	2,361
Net cash flows from/(used in) investing activities		**28,696**	(20,001)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		**(10,838)**	(10,212)
Dividends paid		**(12,703)**	(11,836)
Principal of lease payments		**(128)**	(128)
Interest paid		**(1,277)**	(1,862)
Decrease in amounts due to a related party		**(25,400)**	(8,000)
Net cash flows used in financing activities		**(50,346)**	(32,038)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**60,106**	(3,688)
Cash and cash equivalents at beginning of year		**105,610**	107,730
Exchange realignment		**3,345**	1,568
CASH AND CASH EQUIVALENTS AT END OF YEAR	21	**169,061**	105,610
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	**173,228**	110,500
Pledged bank deposits		**(4,167)**	(4,890)
Cash and cash equivalents as stated in the consolidated statement of cash flows		**169,061**	105,610

NOTES TO FINANCIAL STATEMENTS

31 December 2025

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 Direct %	Indirect %	Principal activities
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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

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 Direct %	Indirect %	Principal activities
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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

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 Direct %	Indirect %	Principal activities
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
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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

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 Direct %	Indirect %	Principal activities
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
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").

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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 derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognised 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.

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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. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

4. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(continued)*

IFRS 18 replaces IAS 1 *Presentation of Financial Statements.* While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements.* As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows,* IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting.* In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements,* cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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31 December 2025

4. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(continued)*

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*) IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that *the Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

4. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(continued)*

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

5. MATERIAL ACCOUNTING POLICIES

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the Group (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of that asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land	Not depreciated
Buildings	4.5%
Plant and machinery	4.5%-9%
Office and other equipment	18%
Motor vehicles and yacht	9%-18%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Buildings	2 to 2.1 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

Group as a lessee *(continued)*

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets, such as to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1: Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2: Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3: Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, amounts due to a related party and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Income from research and development (R&D) design is recognised when the relevant R&D service has been rendered at a point in time.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 28 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Share-based payments *(continued)*

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. MATERIAL ACCOUNTING POLICIES *(continued)*

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Tax

Determining income tax provisions requires the Group to make judgements on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

Deferred tax liabilities are recognised for a withholding tax levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. Significant management judgement is required to determine the amount of deferred tax liabilities that can be recognised, based upon the likely dividends to be declared.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Useful lives and residual values of property, plant and equipment

In determining the useful life and residual value of an item of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, the expected usage of the asset, the expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end based on changes in circumstances. The carrying amounts of property, plant and equipment at 31 December 2025 and 2024 were HK$173,338,000 and HK$206,350,000, respectively. Further details are given in note 16.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Write-down of inventories to net realisable value

A write-down of inventories to net realisable value is made based on the estimated net realisable value of the inventories. The assessment of the required write-down involves management's judgement and estimates on market conditions. Where the actual outcome or expectation in future is different from the original estimate, the differences will have an impact on the carrying amounts of inventories and the write-down/write-back of inventories in the period in which the estimate has been changed.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. 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 provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates will be adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each of the Relevant Periods. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

7. 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; and

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.

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 8)			
External customers	519,067	136,757	655,824
Intersegment sales	2,864	32,960	35,824
Total	521,931	169,717	691,648
Reconciliation:			
Elimination of intersegment sales			(35,824)
Revenue			655,824
Segment results	73,796	36,694	110,490
Reconciliation:			
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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

7. 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
Reconciliation:			
Elimination of intersegment receivables			(1,948)
Corporate and other unallocated assets			61,292
Total assets			524,517
Segment liabilities	89,319	20,478	109,797
Reconciliation:			
Elimination of intersegment payables			(1,948)
Corporate and other unallocated liabilities			39,278
Total liabilities			147,127
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	144	(454)	(310)
(Reversal of write-down)/write-down of inventories to net realisable value recognised in profit or loss	(3,271)	500	(2,771)
Impairment losses on long-term assets recognised in profit or loss	13,316	—	13,316

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

7. 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 8)			
External customers	484,799	128,168	612,967
Intersegment sales	4,309	23,871	28,180
Total	489,108	152,039	641,147
Reconciliation:			
Elimination of intersegment sales			(28,180)
Revenue			612,967
Segment results	84,635	19,559	104,194
Reconciliation:			
Interest income			2,361
Corporate and other unallocated expenses			(54,440)
Finance costs (other than interest on lease liabilities)			(1,860)
Profit before tax			50,255

NOTES TO FINANCIAL STATEMENTS

31 December 2025

7. 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
Reconciliation:			
Elimination of intersegment receivables			(15,176)
Corporate and other unallocated assets			83,115
Total assets			476,530
Segment liabilities	98,512	45,333	143,845
Reconciliation:			
Elimination of intersegment payables			(15,176)
Corporate and other unallocated liabilities			22,381
Total liabilities			151,050
Other segment information:			
Depreciation and amortisation	19,943	3,304	23,247
Capital expenditure*	12,030	2,150	14,180
Impairment losses/ (reversals) on financial assets recognised in profit or loss	(563)	9,165	8,602
Write-down of inventories to net realisable value recognised in profit or loss	1,797	(1,771)	26
Impairment losses on long-term assets recognised in profit or loss	6,594	—	6,594

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

7. 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	**655,824**	612,967

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	**228,192**	261,116

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

Information about major customers

Revenue 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.

NOTES TO FINANCIAL STATEMENTS

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8. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	2025 HK$'000	2024 HK$'000
Revenue from contracts with customers	**655,824**	612,967

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	**519,067**	**136,757**	**655,824**
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	**519,067**	**136,757**	**655,824**
Timing of revenue recognition			
Goods transferred at a point in time	**519,067**	**136,757**	**655,824**

8. 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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

8. 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	**7,339**	6,586

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	**8,815**	3,865
Total other income and gains	**29,590**	13,566

* 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.

** 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

9. 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	16	**16,294**	21,742
Depreciation of right-of-use assets	17(a)	**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	17(c)	**267**	4
Employee benefit expense (including directors' remuneration (note 11)):			
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	19	**(310)**	8,602
Write-down of inventories to net realisable value		**(2,771)**	26
Impairment losses on property, plant and equipment**	16	**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.

10. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 HK$'000	2024 HK$'000
Interest on bank loans wholly repayable within five years	**1,271**	1,860
Interest on lease liabilities (note 17(b))	**6**	2
Total	**1,277**	1,862

NOTES TO FINANCIAL STATEMENTS

31 December 2025

11. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383 (1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 HK$'000	2024 HK$'000
Fees	**3,046**	3,045
Other emoluments:		
Salaries, allowances and benefits in kind	**740**	527
Pension scheme contributions	**142**	136
Performance related bonuses	**2,341**	2,047
Subtotal	**3,223**	2,710
Total	**6,269**	5,755

Certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 28 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant, and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Fees HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2025			
Mr. Poon Tak Ching	**212**	**10**	**222**
Mr. Pang Cheung Wai	**212**	**10**	**222**
Mr. Lee Yiu Pui	**212**	**10**	**222**
Total	**636**	**30**	**666**

NOTES TO FINANCIAL STATEMENTS

31 December 2025

11. DIRECTORS' REMUNERATION *(continued)*

(a) Independent non-executive directors *(continued)*

The fees paid to independent non-executive directors during the year were as follows: *(continued)*

	Fees HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2024			
Mr. Poon Tak Ching	212	10	222
Mr. Pang Cheung Wai	212	10	222
Mr. Lee Yiu Pui	212	10	222
Total	636	30	666

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

(b) Executive directors

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Performance related bonuses HK$'000	Total remuneration HK$'000
2025					
Executive directors:					
Ms. Ko Sau Mee	**1,111**	**—**	**18**	**1,000**	**2,129**
Mr. Lin Hing Lung	**689**	**229**	**18**	**568**	**1,504**
Ms. Lin Hing Lei	**534**	**203**	**18**	**568**	**1,323**
Mr. Yang Xiaoye	**76**	**308**	**58**	**205**	**647**
Total	**2,410**	**740**	**112**	**2,341**	**5,603**

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11. DIRECTORS' REMUNERATION *(continued)*

(b) Executive directors *(continued)*

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Performance related bonuses HK$'000	Total remuneration HK$'000
2024					
Executive directors:					
Ms. Ko Sau Mee	1,110	—	18	1,000	2,128
Mr. Lin Hing Lung	689	17	18	428	1,152
Ms. Lin Hing Lei	534	138	18	427	1,117
Mr. Yang Xiaoye	76	372	51	192	691
Total	2,409	527	105	2,047	5,088

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: nil).

No emoluments were paid by the Group to the directors or past directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2025 (2024: nil).

NOTES TO FINANCIAL STATEMENTS

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12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors (2024: four), details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the one (2024: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	2025 HK$'000	2024 HK$'000
Salaries, allowances and benefits in kind	**633**	627
Pension scheme contributions	**28**	29
Performance related bonuses	**120**	120
Total	**781**	776

The number of these non-director, highest paid employees whose remuneration fell within the following band is as follows:

	2025	2024
Nil to HK$1,000,000	**1**	1

In prior years, share options were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 28 to the financial statements. The fair value of these options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant, and the amount included in the financial statements for the year is included in the above non-director, highest paid employees' remuneration disclosures.

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2025 (2024: nil).

13. 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.

NOTES TO FINANCIAL STATEMENTS

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13. INCOME TAX *(continued)*

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 the 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 enterprise and was entitled to a preferential tax rate of 15% for the years of 2025 and 2024.

	2025 HK$'000	2024 HK$'000
Current – Chinese mainland	**37,331**	15,750
Current – Hong Kong	**4**	4
Underprovision in prior years	**238**	883
Deferred (note 26)	**2,228**	(451)
Total tax charge for the year	**39,801**	16,186

A reconciliation of the tax expenses applicable to profit before tax using the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate 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	**98,620**		50,255	
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	**21,287**	**21.7**	6,955	13.7
Tax charge at the Group's effective tax rate	**39,801**	**40.4**	16,186	32.2

NOTES TO FINANCIAL STATEMENTS

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14. DIVIDENDS

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

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.

15. 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 amount presented for the year ended 31 December 2025 in respect of a dilution as the impact of the share options in issue 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	**58,819**	34,069

	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	**233,917,250**	233,917,250

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16. 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	**98,455**	**39,082**	**4,599**	**23,398**	**21,986**	**18,830**	**206,350**
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 9)	**(7,185)**	**(8,013)**	**(919)**	**(177)**	**—**	**—**	**(16,294)**
Impairment (note 9)	**(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	**89,047**	**33,975**	**4,678**	**2,423**	**21,201**	**22,014**	**173,338**
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	**89,047**	**33,975**	**4,678**	**2,423**	**21,201**	**22,014**	**173,338**
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	112,037	40,090	4,428	27,388	23,113	18,183	225,239
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 9)	(9,306)	(7,715)	(767)	(3,954)	—	—	(21,742)
Impairment (note 9)	(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 accumulated depreciation	98,455	39,082	4,599	23,398	21,986	18,830	206,350
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	98,455	39,082	4,599	23,398	21,986	18,830	206,350

NOTES TO FINANCIAL STATEMENTS

31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

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 24).

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.

17. LEASES

The Group as a lessee

The Group has lease contracts for various items used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms of 2 years. Generally, the Group is restricted, from assigning and subleasing the leased assets outside the Group.

(a) Right- of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land HK$'000	Buildings HK$'000	Total HK$'000
As at 1 January 2024	49,314	193	49,507
Depreciation charge	(1,381)	(124)	(1,505)
Exchange realignment	(1,053)	(12)	(1,065)
As at 31 December 2024 and 1 January 2025	46,880	57	46,937
Addition	—	246	246
Depreciation charge	(1,416)	(123)	(1,539)
Exchange realignment	1,184	(1)	1,183
As at 31 December 2025	46,648	179	46,827

Certain of the Group's interest-bearing bank borrowings were secured by the Group's leasehold land with a carrying value of HK$67,944,000 as at 31 December 2025 (2024: HK$68,942,000) (note 24)

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31 December 2025

17. LEASES *(continued)*

The Group as a lessee *(continued)*

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2025 HK$'000	2024 HK$'000
Carrying amount at 1 January	**57**	196
New leases	**246**	—
Accretion of interest recognised during the year	**6**	2
Payments	**(128)**	(128)
Exchange realignment	**(1)**	(13)
Carrying amount at 31 December	**180**	57
Analysed into:		
Current portion	**124**	57
Non-current portion	**56**	—

The maturity analysis of lease liabilities is disclosed in note 24 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 HK$'000	2024 HK$'000
Interest on lease liabilities	**6**	2
Depreciation charge of right-of-use assets	**1,539**	1,505
Expense relating to short-term leases (included in administrative expenses)	**267**	4
Total amount recognised in profit or loss	**1,812**	1,511

The total cash outflow for leases of HK$395,000 in 2025 (2024: HK$132,000).

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31 December 2025

18. INVENTORIES

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

19. TRADE AND BILLS RECEIVABLES

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

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

19. TRADE AND BILLS RECEIVABLES *(continued)*

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	**7,574**	5,841
Total	**64,064**	45,680

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 9)	**(310)**	8,602
Exchange realignment	**429**	(304)
At end of year	**18,779**	18,660

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

19. TRADE AND BILLS RECEIVABLES *(continued)*

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

	Ageing				
	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
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

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 HK$'000	2024 HK$'000
Current assets		
Prepayments	**10,329**	12,744
Other receivables and deposit	**7,032**	5,300
	17,361	18,044
Impairment allowance*	**(2,547)**	(2,483)
Total	**14,814**	15,561
Non-current assets		
Prepayments for property, plant and equipment	**8,027**	7,829

* As at 31 December 2025 and 2024, the impairment of the financial assets included in prepayments, other receivables and other assets, were measured based on the 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss.

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21. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	2025 HK$'000	2024 HK$'000
Cash and bank balances	**173,228**	110,500
Deposits		
Pledged for acceptance bills	**(4,167)**	(4,890)
Cash and cash equivalents	**169,061**	105,610
Cash and bank balances denominated in		
— Renminbi ("RMB")	**67,570**	51,324
— United States dollar ("US$")	**100,535**	55,413
— Japanese yen ("JPY")	**241**	230
— Hong Kong dollar ("HK$")	**2,912**	977
— Great Britain Pound ("GBP")	**1**	1
— Euro ("EUR")	**—**	733
— Thai Baht ("THB")	**1,969**	1,822
Total	**173,228**	110,500

The RMB is not freely convertible into other currencies. However, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

At 31 December 2025, a bank deposit of HK$4,167,000 (2024: HK$4,890,000) was pledged for the Group's acceptance bills.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

22. 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.

NOTES TO FINANCIAL STATEMENTS

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23. OTHER PAYABLES AND ACCRUALS

	Notes	2025 HK$'000	2024 HK$'000
Current			
Salary and welfare payables	(a)	**17,347**	14,667
Contract liabilities	(b)	**7,339**	6,586
Other payables and accruals	(c)	**21,345**	24,833
Due to a related party	32(2)	**7,000**	15,000
Total		**53,031**	61,086
Non-current			
Due to a related party	32(2)	**—**	17,400

Notes:

(a) The salary and welfare payables are non-interest-bearing and are payable on demand.

(b) Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying goods are yet to be provided. The Group recognised the revenue-related contract liabilities as follows:

	31 December 2025 HK$'000	31 December 2024 HK$'000
Short-term advances received from customers	**7,339**	6,586

(c) The other payables and accruals are non-interest-bearing and are due to mature within one year.

24. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Contractual interest rate	Maturity	HK$'000	Contractual interest rate	Maturity	HK$'000
Current						
Lease liabilities (note 17(b))	**1.60%-5.25%**	**2026**	**124**	1%-5.125%	2025	57
Current portion of long term bank loans – secured	**MLR-1.0%**	**2026**	**10,840**	MLR-1.0%	2025	10,103
Total – current			**10,964**			10,160
Non-current						
Lease liabilities (note 17(b))	**2.45%**	**2027**	**56**	—	—	—
Long term bank loans – secured	**MLR-1.0%**	**2027**	**5,421**	MLR-1.0%	2027	15,155
Total – non-current			**5,477**			15,155
Total			**16,441**			25,315

Notes:

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

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24. 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
Subtotal	**16,261**	25,258
Other borrowings repayable:		
Within one year or on demand	**124**	57
In the second year	**56**	—
Subtotal	**180**	57
Total	**16,441**	25,315

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	16	**88,882**	90,579
Leasehold land	17	**67,944**	68,942
Total		**156,826**	159,521

In addition, certain of the Group's bank loans with an amount of HK$16,261,000 were 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	**16,261**	25,258

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24. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

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	**30,868**	90,276
Total	**354,174**	337,549

25. DEFERRED INCOME

	2025 HK$'000	2024 HK$'000
At 1 January	**864**	1,104
Amortised as income	**(218)**	(219)
Exchange realignment	**18**	(21)
At 31 December	**664**	864
Current portion	**(221)**	(216)
Non-current portion	**443**	648

26. DEFERRED TAX

Deferred tax assets

Deferred tax assets have been recognised in respect of temporary differences between the carrying amounts and tax bases of government grants and provisions.

The movements in deferred tax assets are as follows:

	Government grants HK$'000	Provisions HK$'000	Total HK$'000
At 1 January 2024	166	3,910	4,076
Deferred tax credited/(charged) to profit or loss during the year (note 13)	(40)	1,733	1,693
Exchange differences	4	(50)	(46)
At 31 December 2024 and 1 January 2025	130	5,593	5,723
Deferred tax charged to profit or loss during the year (note 13)	(25)	(216)	(241)
Exchange differences	(6)	146	140
At 31 December 2025	**99**	**5,523**	**5,622**

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26. DEFERRED TAX *(continued)*

Deferred tax assets *(continued)*

The Group has tax losses arising in Hong Kong of HK$218,633,000 (2024: HK$87,426,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax liabilities

The movements in deferred tax liabilities are as follows:

	Withholding taxes HK$'000
At 1 January 2024	3,398
Deferred tax charged to profit or loss during the year (note 13)	1,242
At 31 December 2024 and 1 January 2025	4,640
Deferred tax charged to profit or loss during the year (note 13)	1,987
At 31 December 2025	6,627

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by the subsidiary established in Chinese mainland in respect of earnings generated from 1 January 2008.

At 31 December 2025, the Group has not recognised deferred tax liabilities of HK$2,017,000 (2024: HK$1,678,000) in respect of the temporary differences relating to the unremitted profits of the Group's subsidiaries established in Chinese mainland amounting to HK$40,331,000 (2024: HK$33,553,000), that would be payable on the distribution of these profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

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27. SHARE CAPITAL

Shares

	2025 HK$'000	2024 HK$'000
Issued and fully paid:		
233,917,250 (2024: 233,917,250) ordinary shares	**2,339**	2,339

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 28 to the financial statements.

28. SHARE OPTION SCHEME

The Company adopted a Pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and a share option scheme (the "2019 Share Option Scheme"), approved by the written resolutions of the shareholders on 17 May 2019 (the "Resolutions"). The Company adopted a new share option scheme (the "2023 Share Option Scheme") on 19 May 2023.

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme was effective on 21 June 2019 after all conditions have been fulfilled.

The purpose of the Pre-IPO Share Option Scheme is to recognise and motivate the contributions that certain executive and non-executive Directors, members of senior management and other employees have made or may make to the Group. The principal terms of the Pre-IPO Share Option Scheme, approved by the Resolutions, are substantially the same as the terms of the Share Option Scheme, except that:

(a) the subscription price per share under the Pre-IPO Share Option Scheme is HK$2.17;

(b) the total number of shares which may be issued upon the exercise of all share options granted under the Pre-IPO Share Option Scheme is 7,765,000, representing approximately 3.3% of the total issued share capital of the Company immediately after the completion of the listing;

(c) save for the share options which have been granted, no further share options will be granted under the Pre-IPO Share Option Scheme on or after 21 June 2019 (the "Listing Date"); and

The share options granted under the Pre-IPO Share Option Scheme are subject to the following vesting and exercise period:

Batch 1 50% of the share options shall become vested and exercisable on the 1st anniversary date of the Listing Date (the "1st Vesting Date"), and the exercise period in respect thereof shall commence on the 1st Vesting Date and end on the day immediately before the 10th anniversary date of the offer date (the "Expiration Date") (both dates inclusive).

Batch 2 50% of the share options shall become vested and exercisable on the 2nd anniversary date of the Listing Date (the "2nd Vesting Date"), and the exercise period in respect thereof shall commence on the 2nd Vesting Date and end on the Expiration Date (both dates inclusive).

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28. SHARE OPTION SCHEME *(continued)*

Pre-IPO Share Option Scheme *(continued)*

A summary of option movements during the year is presented below:

	Weighted average exercise price HK$ per share	Number of options
At 1 January 2024	2.17	6,707,500
Forfeited during the year	2.17	(100,000)
At 31 December 2024	2.17	6,607,500
At 1 January 2025	2.17	6,607,500
Forfeited during the year		(50,000)
At 31 December 2025		6,557,500

During the period, no share options were exercised (2024: no share options exercised).

The fair value of the share options granted under the Pre-IPO Share Option Scheme was estimated at approximately HK$6,023,000, of which has been fully recognized as of 30 June 2021.

The fair value of the share options under the Pre-IPO Share Option Scheme granted was estimated as at the date of grant, using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

	Batch 1	Batch 2
Dividend yield (%)	—	—
Expected volatility (%)	36.545%	36.545%
Risk-free interest rate (%)	1.946%	1.946%
Expected life of options (year)	10	10
Weighted average share price (HK$ per share)	2.17	2.17

The expected life of the share options is not necessarily indicative of the exercise patterns that may occur. The expected volatility may not necessarily reflect the actual outcome.

No other feature of the share options granted was incorporated into the measurement of fair value.

As at 31 December 2025, the Company had 6,557,500 share options outstanding under the Pre-IPO Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 6,557,500 additional ordinary shares of the Company and additional share capital of HK$66,000 and share premium of HK$ 19,277,000.

At the date of approval of these financial statements, the Company had 6,557,500 share options outstanding under the Scheme, which represented approximately 2.8% of the Company's shares in issue as at that date.

28. SHARE OPTION SCHEME *(continued)*

2019 Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") for the purposes of: (a) motivating the eligible participants to optimise their performance and efficiency for the benefit of the Group; and (b) attracting and retaining, or otherwise maintaining ongoing business relationships with the eligible participants whose contributions are, will or expected to be beneficial to the Group.

The board of directors (the "Board") may at its discretion grant options to eligible participants ("Eligible Participants") as follows:

(i) any eligible employee ("Eligible Employee") means any employees (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary or any entity in which the Group holds at least 20% of its issued share capital ("Invested Entity");

(ii) any non-executive director (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of any member of the Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

For the purposes of the 2019 Share Option Scheme, share options may be granted to any company wholly owned by one or more Eligible Participants.

The exercise price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the exercise price shall be at least the highest of: (a) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the offer date, which must be a business day; (b) the average of the closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (c) the nominal value of a share.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of grant of the share options.

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28. SHARE OPTION SCHEME *(continued)*

2019 Share Option Scheme *(continued)*

The maximum number of shares to be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share options granted and yet to be exercised under any other scheme of the Company shall not, in aggregate, exceed 10% of the total number of shares in issue on the Listing Date, i.e., 23,454,475 shares, and 30% of the shares of the Company in issue from time to time. The maximum number of shares issuable under share options to any Eligible Participant in the Share Option Scheme within any 12-month period up to and including the date of the grant is limited to 1% in aggregate of the shares of the Company in issue at the date of the grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or a substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors, excluding the independent non-executive director who or whose associates are the grantee. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5,000,000, within any 12-month period up to and including the date of the grant, are subject to shareholders' approval in advance in a general meeting.

The 2019 Share Option Scheme became effective on 21 June 2019 and was terminated on 19 May 2023. Up to the date of termination, no options were granted, exercised, lapsed and cancelled under the 2019 Share Option Scheme.

2023 Share Option Scheme

The Company adopted a new share option scheme on 19 May 2023. The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

The Directors may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

(a) directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);

(b) directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company;

(c) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including any consultant, independent contractor or advisor:

  (i) where the continuity and frequency of their services are akin to those of employees; or

  (ii) after stepping down from an employment or director position with the Group, who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group's principal business activities in the design, development, manufacture and sale of a wide range of aerosol and non-aerosol products.

28. SHARE OPTION SCHEME *(continued)*

2023 Share Option Scheme *(continued)*

The maximum numbers of Shares in respect of which options may be granted under the 2023 Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the 19 May 2023 (i.e. 23,391,725 Shares) unless approved by the shareholders of the Company.

The Exercise Price in respect of any Share Option shall, be at the discretion of the Directors, provided that it must be at least the highest of: (a) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the Offer Date; (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and (c) the nominal value of the Shares on the Offer Date.

An offer of the grant of the option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

Any grant of options under the Scheme to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors. Where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of options must be approved by the Shareholders in general meeting.

The 2023 Share Option Scheme became effective on 19 May 2023 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

During the year ended 31 December 2025, no share options were granted, exercised, lapsed and cancelled under the 2023 Share Option Scheme.

29. RESERVES

(i) The amounts of the Group's reserves and the movements therein for the current year and the prior year are presented in the consolidated statement of changes in equity on page 90 of the financial statements.

(ii) In accordance with PRC Company Law, the PRC subsidiary of the Group is required to allocate 10% of its profit after tax to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of the registered capital of the PRC subsidiary. Subject to certain restrictions set out in PRC Company Law, part of the SSR may be converted to increase paid-up capital/issued capital of the PRC subsidiary, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital. The SSR of the PRC subsidiary attributable to the parent amounted to HK$59,329,000 and HK$56,495,000 as at 31 December 2025 and 2024, respectively.

(iii) On 29 December 2020, China Medical Beauty acquired a 30% equity interest in Euro Asia Aerosol at a cash consideration of HK$120,000,000. As a result, the equity interest of China Medical Beauty in Euro Asia Aerosol increased from 70% to 100%. The change in the Group's shareholding interest in Euro Asia Aerosol resulted in a decrease in reserves of HK$107,016,000 and a decrease in non-controlling interests of HK$12,984,000 in the consolidated statement of changes in equity.

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30. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2025 HK$'000	2024 HK$'000
Contracted, but not provided for:		
Plant and machinery	**385**	481

31. CONTINGENT LIABILITIES

The Group had no significant contingent liability as at 31 December 2025 and 2024.

32. RELATED PARTY TRANSACTIONS

(1) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	Notes	2025 HK$'000	2024 HK$'000
Sales of products to:			
Euro Asia Packaging (Guangdong) Co., Ltd. (廣東歐亞包裝有限公司) ("Euro Asia Packaging")	(i), (iii)	**—**	1
Purchases of materials from:			
Euro Asia Packaging	(i)	**12,191**	13,750
Lease rental expenses charged by:			
Mr. Lin Wan Tsang*	(ii), (iii)	**65**	65

* Ultimate shareholder of the Company

Notes:

(i) All companies are fellow subsidiaries controlled by the ultimate shareholder of the Company. The sales and purchases among the companies were made according to prices and conditions as mutually agreed.

(ii) The lease rental expenses charged by Mr. Lin Wan Tsang were determined based on the underlying contracts as agreed between the Group and Mr. Lin Wan Tsang.

(iii) These continuing connected transactions fall within the de minimis threshold under Rule 14A.76(1) of the Listing Rules and therefore is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements contemplated under the Listing Rules.

NOTES TO FINANCIAL STATEMENTS

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32. RELATED PARTY TRANSACTIONS *(continued)*

(2) Balances with related parties

	2025 HK$'000	2024 HK$'000
Due to:		
Euro Asia Packaging**	**1,409**	3,020
European Asia Industrial Limited ("European Asia") ***	**7,000**	32,400
	8,409	35,420

** Included in "Trade and bills payables" in the consolidated statement of financial position.

*** As at 31 December 2025, HK$7,000,000 were included in "Other payables and accruals" in the consolidated statement of financial position. As at 31 December 2024, HK$15,000,000 and HK$17,400,000 were included in "Other payables and accruals" and "Due to a related party" in the consolidated statement of financial position, respectively.

The amount due to Euro Asia Packaging was trade in nature.

The Group had an outstanding balance due to European Asia of HK$7,000,000 (2024: HK$15,000,000) as at 31 December 2025. The balance is unsecured, interest-free and has no fixed terms of repayment.

The Group had an outstanding balance due to European Asia of HK$17,400,000 as at 31 December 2024. The balance was unsecured, interest-free and not repayable within one year and was classified as non-current. The amount was fully settled during the year ended 31 December 2025.

(3) Compensation of key management personnel of the Group, including directors' remuneration as detailed in note 11 above, is as follows:

	2025 HK$'000	2024 HK$'000
Fees	**3,046**	3,045
Salaries, allowances and benefits in kind	**1,962**	1,810
Pension scheme contributions	**268**	220
Performance related bonuses	**2,849**	2,376
Total compensation paid to key management personnel	**8,125**	7,451

The related party transactions in respect of (1) above also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

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33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2025		2024	
Financial assets	**Financial assets at amortised cost HK$'000**	**Total HK$'000**	**Financial assets at amortised cost HK$'000**	**Total HK$'000**
Trade and bills receivables	**64,518**	**64,518**	46,791	46,791
Financial assets included in prepayments, other receivables and other assets	**4,485**	**4,485**	2,817	2,817
Pledged bank deposits	**4,167**	**4,167**	4,890	4,890
Cash and cash equivalents	**169,061**	**169,061**	105,610	105,610
Total	**242,231**	**242,231**	160,108	160,108

	2025		2024	
Financial liabilities	**Financial liabilities at amortised cost HK$'000**	**Total HK$'000**	**Financial liabilities at amortised cost HK$'000**	**Total HK$'000**
Trade and bills payables	**47,033**	**47,033**	41,620	41,620
Due to a related party	**—**	**—**	17,400	17,400
Financial liabilities included in other payables and accruals	**28,345**	**28,345**	39,833	39,833
Interest-bearing bank and other borrowings	**16,441**	**16,441**	25,315	25,315
Total	**91,819**	**91,819**	124,168	124,168

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34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

At 31 December 2025 and 2024, the fair values of the Group's financial assets and financial liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of restricted cash, cash and cash equivalents, pledged bank deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, amounts due to a related party and interest-bearing bank and other borrowings approximate to their respective carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

35. EVENTS AFTER THE REPORTING PERIOD

Transaction in relation to the Construction agreement for the 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 a Construction Agreement with Guangzhou Zhonghao Construction Group Company Limited (廣州中豪建工集團有限責任公司) ("Contractor"). Pursuant to the 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.

Under the Construction Agreement, the total contract sum payable by Euro Asia Aerosol to the Contractor amounts to RMB34.8 million (approximately HK$38.3 million).

Acquisition of a Property

On 22 January 2026, European Property Holding Limited ("Purchaser"). an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Skyway Investment Limited ("Vendor") for the acquisition of the Property at a consideration of HK$40,388,800, which is intended for self-use as an office.

NOTES TO FINANCIAL STATEMENTS

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank and other borrowings, amounts due to a related party, restricted cash, cash and cash equivalents and pledged bank deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade and bills receivables, other receivables and other assets, trade and bills payables, and other payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The contractual interest rates and terms of repayment of the interest-bearing bank borrowings of the Group are set out in note 24 above.

The following table demonstrates the sensitivity to a reasonably possible change in the PBOC base rate, the Hong Kong Interbank Rate and the MLR base rate, with all other variables held constant, of the Group's profit before tax (through the impact of floating rate borrowings) during the year.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK$'000
2025		
LPR base rate	**25**	**—**
Hong Kong Interbank Rate	**25**	**—**
MLR base rate	**25**	**41**
LPR base rate	**(25)**	**—**
Hong Kong Interbank Rate	**(25)**	**—**
MLR base rate	**(25)**	**(41)**
2024		
LPR base rate	25	—
Hong Kong Interbank Rate	25	—
MLR base rate	25	63
LPR base rate	(25)	—
Hong Kong Interbank Rate	(25)	—
MLR base rate	(25)	(63)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales by operating units in currencies other than the units' functional currencies. Approximately 15% and 18% of the Group's sales were denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 99% and 99% of inventory costs were denominated in the units' functional currencies for the years ended 31 December 2025 and 2024, respectively.

The following table demonstrates the sensitivity at the end of each reporting period to a reasonably possible change in the US$ exchange rate, HK$ exchange rate and the THB$ exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in profit before tax HK$'000	Increase/ (decrease) in equity* HK$'000
2025			
If RMB weakens against US$	**5**	**5,476**	**4,340**
If RMB strengthens against US$	**(5)**	**(5,476)**	**(4,340)**
If RMB weakens against THB$	**5**	**(824)**	**(618)**
If RMB strengthens against THB$	**(5)**	**824**	**618**
If RMB weakens against HK$	**5**	**—**	**(21,274)**
If RMB strengthens against HK$	**(5)**	**—**	**21,274**
2024			
If RMB weakens against US$	5	3,304	2,719
If RMB strengthens against US$	(5)	(3,304)	(2,719)
If RMB weakens against THB$	5	(1,289)	(967)
If RMB strengthens against THB$	(5)	1,289	967
If RMB weakens against HK$	5	—	(17,457)
If RMB strengthens against HK$	(5)	—	17,457

• Excluding retained profits.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Trade receivables*	—	—	—	82,843	82,843
Bills receivables	454	—	—	—	454
Financial assets included in prepayments, other receivables and other assets					
– Normal**	7,032	—	—	—	7,032
Pledged bank deposits					
– Not yet past due	4,167	—	—	—	4,167
Cash and cash equivalents					
– Not yet past due	169,061	—	—	—	169,061
Total	180,714	—	—	82,843	263,557

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Maximum exposure and year-end staging *(continued)*

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Trade receivables*	—	—	—	64,340	64,340
Bills receivables	1,111	—	—	—	1,111
Financial assets included in prepayments, other receivables and other assets					
– Normal**	5,300	—	—	—	5,300
Pledged bank deposits					
– Not yet past due	4,890	—	—	—	4,890
Cash and cash equivalents					
– Not yet past due	105,610	—	—	—	105,610
Total	116,911	—	—	64,340	181,251

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 19 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding through capital contribution and financial support from related parties and bank borrowings.

The maturity profile of financial liabilities as at 31 December 2025 and 2024, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025			
	On demand HK$'000	Less than 1 year HK$'000	Over 1 year HK$'000	Total HK$'000
Trade and bills payables	**8,197**	**38,836**	**—**	**47,033**
Financial liabilities included in other payables and accruals	**—**	**28,345**	**—**	**28,345**
Lease liabilities	**—**	**128**	**57**	**185**
Interest-bearing bank borrowings (excluding lease liabilities)	**—**	**11,357**	**5,506**	**16,863**
Total	**8,197**	**78,666**	**5,563**	**92,426**

	As at 31 December 2024			
	On demand HK$'000	Less than 1 year HK$'000	Over 1 year HK$'000	Total HK$'000
Trade and bills payables	3,817	37,803	—	41,620
Financial liabilities included in other payables and accruals	—	39,833	—	39,833
Due to a related party	—	—	17,400	17,400
Lease liabilities	—	57	—	57
Interest-bearing bank borrowings (excluding lease liabilities)	—	11,014	15,717	26,731
Total	3,817	88,707	33,117	125,641

NOTES TO FINANCIAL STATEMENTS

31 December 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt is calculated as interest-bearing bank and other borrowings, trade and bills payables, financial liabilities included in other payables and accruals, and amounts due to a related party less cash and cash equivalents, pledged bank deposits and restricted cash. Capital represents equity attributable to owners of the parent. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios at the end of the reporting periods are as follows:

	2025 HK$'000	2024 HK$'000
Interest-bearing bank and other borrowings	**16,441**	25,315
Trade and bills payables	**47,033**	41,620
Financial liabilities included in other payables and accruals	**28,345**	39,833
Due to a related party	**—**	17,400
Less: Cash and cash equivalents and pledged bank deposits	**(173,228)**	(110,500)
Net debt	**(81,409)**	13,668
Equity attributable to owners of the parent	**377,799**	325,908
Capital and net debt	**296,390**	339,576
Gearing ratio	**N/A**	4%

NOTES TO FINANCIAL STATEMENTS

31 December 2025

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**5,892**	5,892
Total non-current assets	**5,892**	5,892
CURRENT ASSETS		
Prepayments, other receivables and other assets	**66,399**	87,014
Cash and cash equivalents	**421**	120
Total current assets	**66,820**	87,134
CURRENT LIABILITIES		
Other payables	**22,887**	22,957
Total current liabilities	**22,887**	22,957
NET CURRENT ASSETS	**43,933**	64,177
TOTAL ASSETS LESS CURRENT LIABILITIES	**49,825**	70,069
Net assets	**49,825**	70,069
EQUITY		
Issued capital	**2,339**	2,339
Reserves (note)	**47,486**	67,730
Total equity	**49,825**	70,069

Ko Sau Mee
Director

Lin Hing Lung
Director

NOTES TO FINANCIAL STATEMENTS

31 December 2025

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK$'000	Retained profits HK$'000	Share option reserve HK$'000	Total HK$'000
At 1 January 2025	**22,286**	**40,299**	**5,145**	**67,730**
Total comprehensive profit for the year	**—**	**(7,541)**	**—**	**(7,541)**
Transfer of share option reserve upon the forfeiture or expiry of share options	**—**	**32**	**(32)**	**—**
Dividends paid	**—**	**(12,703)**	**—**	**(12,703)**
As at 31 December 2025	**22,286**	**20,087**	**5,113**	**47,486**

	Share premium account HK$'000	Retained profits HK$'000	Share option reserve HK$'000	Total HK$'000
At 1 January 2024	22,286	52,717	5,210	80,213
Total comprehensive profit for the year	—	(649)	—	(649)
Transfer of share option reserve upon the forfeiture or expiry of share options	—	65	(65)	—
Dividends paid	—	(11,834)	—	(11,834)
As at 31 December 2024	22,286	40,299	5,145	67,730

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 16 March 2026.

FINANCIAL SUMMARY

A summary of the results and the assets, liabilities and non-controlling interests of the Group for the last five financial years is as follows.

RESULTS

	Year ended 31 December				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Revenue	**655,824**	612,967	557,221	559,785	610,350
Profit before tax	**98,620**	50,255	72,727	55,157	28,509
Income tax expenses	**(39,801)**	(16,186)	(16,024)	(13,240)	(10,493)
Profit for the year	**58,819**	34,069	56,703	41,917	18,016
Profit attributable to:					
Owners of the parent	**58,819**	34,069	56,922	41,996	18,093
Non-controlling interests	**—**	—	(219)	(79)	(77)
	58,819	34,069	56,703	41,917	18,016

ASSETS AND LIABILITIES

	As at 31 December				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Total assets	**524,517**	476,530	484,764	475,208	522,808
Total liabilities	**147,127**	151,050	176,836	207,561	276,477
	377,390	325,480	307,928	267,647	246,331
Equity					
Equity attributable to owners of the parent	**377,799**	325,908	308,371	267,875	246,503
Non-controlling interests	**(409)**	(428)	(443)	(228)	(172)
	377,390	325,480	307,928	267,647	246,331