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## **PRECIOUS DRAGON TECHNOLOGY HOLDINGS LIMITED**

**保 寶 龍 科 技 控 股 有 限 公 司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1861)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **INTERIM RESULTS**

The board (the “Board”) of directors (the “Directors”) of Precious Dragon Technology Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025, together with the comparative figures for the six months ended 30 June 2024. These results have been reviewed by Ernst & Young, the external auditor of the Group, and the audit committee of the Company (the “Audit Committee”).

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2025*

		<b>2025</b>	<b>2024</b>
	Notes	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
REVENUE	3	<b>324,749</b>	274,248
Cost of sales		<b>(180,589)</b>	(183,802)
Gross profit		<b>144,160</b>	90,446
Other income and gains		<b>26,422</b>	8,816
Selling and distribution expenses		<b>(69,728)</b>	(23,464)
Administrative expenses		<b>(22,597)</b>	(23,051)
Research and development expenses		<b>(11,169)</b>	(10,772)
Impairment losses on financial assets, net		<b>(680)</b>	(698)
Other expenses		<b>(1,235)</b>	(6,373)
Finance costs		<b>(710)</b>	(986)
PROFIT BEFORE TAX	4	<b>64,463</b>	33,918
Income tax expenses	5	<b>(11,752)</b>	(9,940)
PROFIT FOR THE PERIOD		<b>52,711</b>	23,978
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<b>2,920</b>	(167)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<b>55,631</b>	23,811

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2025*

	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit attributable to:			
Owners of the parent		52,711	23,978
Non-controlling interest		—	—
		<u>52,711</u>	<u>23,978</u>
Total comprehensive income attributable to:			
Owners of the parent		55,636	23,809
Non-controlling interest		(5)	2
		<u>55,631</u>	<u>23,811</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>7</b>		
Basic			
– For profit for the period		<u>HK22.5 cents</u>	<u>HK10.3 cents</u>
Diluted			
– For profit for the period		<u>HK22.5 cents</u>	<u>HK10.3 cents</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		<b>30 June 2025</b>	31 December 2024
	Notes	<b>HK\$'000</b>	HK\$'000
		<b>(Unaudited)</b>	(Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>184,922</b>	206,350
Right-of-use assets		<b>47,020</b>	46,937
Deferred tax assets		<b>6,300</b>	5,723
Prepayments, deposits and other receivables		<b>7,950</b>	7,829
		<hr/>	<hr/>
Total non-current assets		<b>246,192</b>	266,839
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories		<b>36,050</b>	36,839
Trade and bills receivables	8	<b>69,391</b>	46,791
Prepayments, deposits and other receivables		<b>21,647</b>	15,561
Pledged bank deposits		<b>2,747</b>	4,890
Cash and cash equivalents		<b>155,866</b>	105,610
		<hr/>	<hr/>
Total current assets		<b>285,701</b>	209,691
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	9	<b>42,322</b>	41,620
Other payables and accruals		<b>62,327</b>	61,086
Interest-bearing bank and other borrowings		<b>10,689</b>	10,160
Tax payables		<b>2,004</b>	125
Deferred income		<b>219</b>	216
		<hr/>	<hr/>
Total current liabilities		<b>117,561</b>	113,207
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>168,140</b>	96,484
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>414,332</b>	363,323
		<hr/>	<hr/>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	30 June 2025 Notes HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
NON-CURRENT LIABILITIES		
Due to a related party	17,400	17,400
Interest-bearing bank and other borrowings	10,631	15,155
Deferred tax liabilities	4,642	4,640
Deferred income	548	648
	<hr/>	<hr/>
Total non-current liabilities	33,221	37,843
	<hr/>	<hr/>
NET ASSETS	381,111	325,480
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	2,339	2,339
Other reserves	379,205	323,569
	<hr/>	<hr/>
	381,544	325,908
Non-controlling interests	(433)	(428)
	<hr/>	<hr/>
Total equity	381,111	325,480
	<hr/>	<hr/>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

## 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21

*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

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 with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

### 3. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	<b>324,749</b>	274,248

#### Disaggregated revenue information

#### For the six months ended 30 June 2025

Segments	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Type of goods</b>			
Sale of products	257,822	66,927	324,749
<b>Geographical markets</b>			
Mainland China	220,517	63,203	283,720
Japan	25,340	—	25,340
Other countries/areas in Asia Pacific	2,881	2,884	5,765
Middle East	3,080	—	3,080
America	3,326	—	3,326
Others	2,678	840	3,518
Total revenue from contracts with customers	<b>257,822</b>	<b>66,927</b>	<b>324,749</b>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	<b>257,822</b>	<b>66,927</b>	<b>324,749</b>

### 3. REVENUE (continued)

#### Disaggregated revenue information (continued)

For the six months ended 30 June 2024

Segments	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Type of goods</b>			
Sale of products	209,847	64,401	274,248
<b>Geographical markets</b>			
Mainland China	167,783	54,888	222,671
Japan	31,087	—	31,087
Other countries/areas in Asia Pacific	3,186	4,514	7,700
Middle East	4,040	—	4,040
America	2,612	3,716	6,328
Others	1,139	1,283	2,422
Total revenue from contracts with customers	209,847	64,401	274,248
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	209,847	64,401	274,248



#### 4. PROFIT BEFORE TAX

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Cost of inventories sold	<b>180,589</b>	183,802
Depreciation of property, plant and equipment	<b>9,287</b>	12,381
Depreciation of right-of-use assets	<b>766</b>	763
Research and development costs	<b>11,169</b>	10,772
Lease payments not included in the measurement of lease liabilities	<b>6</b>	2
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	<b>20,735</b>	23,297
Pension scheme contributions	<b>2,045</b>	1,944
	<b>22,780</b>	25,241
Exchange (gains)/losses, net	<b>(6,525)</b>	5,993
(Gain)/loss on disposal of items of property, plant and equipment, net	<b>(14,230)</b>	35
Impairment losses on financial assets	<b>680</b>	698
Write-down/(reversal of write-down) of inventories to net realisable value	<b>1,069</b>	(518)

## 5. INCOME TAX EXPENSES

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 period, 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%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current-Mainland China		
Charge for the period	<b>12,228</b>	9,898
Underprovision in prior years	<b>12</b>	153
Deferred	<b>(488)</b>	(111)
	<b>11,752</b>	9,940

## 6. DIVIDENDS

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Proposed interim – HK3.24 cents (2024: HK1.42 cents) per ordinary share	<b>7,579</b>	3,322

## 7. 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 period 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 period, as adjusted to reflect the rights issue during the period.

No adjustment has been made to the basic earning per share amounts presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the impact of the share option outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

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

	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>52,711</u>	<u>23,978</u>
	<b>Number of shares</b>	
	2025	2024
<b>Shares</b>		
Weighted average number of ordinary shares in issue used in the basic earnings per share calculation	<u>233,917,250</u>	<u>233,917,250</u>

## 8. TRADE AND BILLS RECEIVABLES

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

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>31,364</b>	20,724
31 to 60 days	<b>16,250</b>	13,804
61 to 90 days	<b>13,825</b>	6,422
Over 90 days	<b>7,952</b>	5,841
	<b><u>69,391</u></b>	<b><u>46,791</u></b>

## 9. TRADE AND BILLS PAYABLES

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

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>22,900</b>	22,206
31 to 60 days	<b>5,835</b>	8,620
61 to 90 days	<b>3,783</b>	6,977
Over 90 days	<b>9,804</b>	3,817
	<b><u>42,322</u></b>	<b><u>41,620</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Precious Dragon Technology Holdings Limited (the “Company”) and its subsidiaries (collectively, 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 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) the online stores of “保賜利旗艦店” at Tmall, “保賜利京東自營旗艦店” at JD.com, and other online sales platform.

During the period ended 30 June 2025, the Group continued to allocate 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 which 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 international conflicts, and raw material prices in uncertainty and volatility, there are high uncertainties and rapid changes in global economic development. 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 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 the first half of 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. However, the recovery remains fragile. 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, OBM business and personal care products sectors. The Group will continue to improve its OBM business by exhibitions, improving existing OBM products' series with environmentally friendly formula, strictly controlling cost, lifting the brand image, and enhancing the competitiveness of products.

## **FINANCIAL REVIEW**

### **Turnover**

For the six months ended 30 June 2025, the Group's recorded a turnover of approximately HK\$324.7 million (six months ended 30 June 2024: approximately HK\$274.2 million), representing a significant increase of approximately 18.4% as compared to the corresponding period of 2024.

For the six months ended 30 June 2025, the Group generated revenue of approximately HK\$283.7 million (six months ended 30 June 2024: approximately HK\$222.7 million) from PRC customers, representing a significant increase of approximately 27.4% as compared to the corresponding period of 2024. The significant increase in PRC sales 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.

For the six months ended 30 June 2025, the Group recorded revenue from overseas customers of approximately HK\$41.0 million (six months ended 30 June 2024: approximately HK\$51.6 million), representing a significant decrease of approximately 20.5% as compared to the corresponding period of 2024. The significant decrease in overseas sales was mainly caused by weakened demand in key export markets, ongoing disruptions in global supply chains, currency fluctuations, and heightened geopolitical uncertainties.

### **Cost of Sales**

For the six months ended 30 June 2025, cost of sales of the Group amounted to approximately HK\$180.6 million (six months ended 30 June 2024: HK\$183.8 million), which represented approximately 55.6% (six months ended 30 June 2024: approximately 67.0%) of the turnover in the period. There was a decrease of approximately 1.7% in 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\$144.2 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$90.4 million), representing a significant increase of approximately 59.4% as 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 scrap materials, bank interest income, gain on disposal of property, plant and equipment, net foreign exchange income, income from provision of promotion services and government grants. For the six months ended 30 June 2025, other income and gains of the Group was approximately HK\$26.4 million (six months ended 30 June 2024: approximately HK\$8.8 million), representing a significant increase of 199.7%, which was mainly due to a gain on disposal of approximately HK\$14.3 million arising from the disposal of a vessel during the six months ended 30 June 2025; and a net foreign exchange income, mainly resulting from favorable exchange rate movements on foreign currency.

## **Selling and Distribution Expenses**

Selling and distribution expenses mainly consist 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 costs. For the six months ended 30 June 2025, selling and distribution expenses were approximately HK\$69.7 million (six months ended 30 June 2024: approximately HK\$23.5 million), representing a significant increase of approximately 197.2% as 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\$53.9 million (six months ended 30 June 2024: HK\$9.5 million) during the six months ended 30 June 2025, which were incurred to enhance the e-commerce platforms.

## **Administrative Expenses**

Administrative expenses mainly represent staff salaries, welfare and bonus for our administrative staff and directors' remuneration, professional fees, other taxes and surcharges, and depreciation expenses. For the six months ended 30 June 2025, administrative expenses were approximately HK\$22.6 million (six months ended 30 June 2024: approximately HK\$23.1 million), representing a decrease of approximately 2.0% as 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.

## **Finance Costs**

For the six months ended 30 June 2025, the finance costs of the Group were approximately HK\$0.7 million (six months ended 30 June 2024: approximately HK\$1.0 million), representing a significant decrease of approximately 28.0% as compared to the corresponding period of 2024. The decrease in finance cost was mainly due to the decrease in average bank loan outstanding balance compared to corresponding period of 2024.

## **Net Profit**

The Group's net profit attributable to owners of the parent amounted to approximately HK\$52.7 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$24.0 million), representing an increase of approximately 119.8% as 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) net foreign exchange income recognised during the period.



## **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 30 June 2025, the Group had net current assets of approximately HK\$168.1 million (31 December 2024: approximately HK\$96.5 million). The Group's cash and cash equivalents (including pledged bank deposits) amounted to HK\$158.6 million as at 30 June 2025 (31 December 2024: HK\$110.5 million) which are mainly denominated in Renminbi, United States dollars, Japanese yen, Thailand Baht and Hong Kong dollars. The current ratio of the Group was approximately 2.4 as at 30 June 2025 (31 December 2024: approximately 1.9).

### **Borrowings and the Pledge of Assets**

The bank borrowings of the Group, which were secured by our property, plant and equipment and leasehold land, amounted to approximately HK\$21.2 million as at 30 June 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 and Loan Prime Rate.

As at 30 June 2025, we had available unutilized banking facilities of approximately HK\$350.5 million (31 December 2024: HK\$337.5 million).

### **Gearing Ratio**

As a result of the increase in cash and cash equivalents and the decrease in total borrowings of the Group, the gearing ratio which is calculated by dividing total debt by equity attributable to owners of the Company, amounted to approximately -10.7% as at 30 June 2025 (31 December 2024: approximately 4.0%).

## **CAPITAL STRUCTURE**

As at 30 June 2025, the total number of issued shares of the Company (the “Shares”) was 233,917,250 (31 December 2024: 233,917,250).

## **FOREIGN EXCHANGE EXPOSURE AND EXCHANGE RATE RISK**

Approximately 12.6% of the Group’s revenue for the six months ended 30 June 2025 were denominated in US\$. However, over 90% of the production costs were settled 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.

During the six months ended 30 June 2025, we did not enter into any foreign currency forward contracts nor have any outstanding foreign currency forward contracts.

## **EMPLOYEES AND EMOLUMENTS POLICY**

As at 30 June 2025, the Group had a workforce of 460 employees (31 December 2024: 468 employees). The staff costs, including directors’ emoluments but excluding any contributions to the pension scheme, were approximately HK\$20.7 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$23.3 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 and share options are granted 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 of the Company (the “Directors”) have been determined with reference to the skills, knowledge, and 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 six months ended 30 June 2025.

## **SIGNIFICANT INVESTMENTS**

As at 30 June 2025, the Group did not have any significant investments (31 December 2024: Nil).

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

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

Save as disclosed above, during the six months ended 30 June 2025, 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 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 30 June 2025.

## **CAPITAL COMMITMENTS**

As at 30 June 2025, the Group’s capital commitments approximately amounted to HK\$0.3 million representing the commitment of plant and machinery (31 December 2024: HK\$0.5 million).

## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30 June 2025 neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

## **EVENTS AFTER REPORTING PERIOD**

There were no significant events after 30 June 2025 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) was established on 27 May 2019 with terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 (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, providing advice in respect of the financial reporting process and overseeing the risk management and internal control systems of the Group. The Audit Committee now 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 period had been reviewed by the Audit Committee.

The Audit Committee has reviewed, with the management, the accounting principles and policies adopted by the Group, and discussed the unaudited condensed consolidated financial statements matters of the Group for the six months ended 30 June 2025 and recommended its adoption by the Board.

## **REMUNERATION COMMITTEE**

The remuneration committee of the Company (the “Remuneration Committee”) was established on 27 May 2019 with specific written terms of reference in compliance with the CG Code for the purpose of 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 CG Code provisions E.1.2(a) to (h). The Remuneration Committee comprises a total of four members, being one executive Director, namely, Ms. Ko Sau Mee and three independent non-executive Directors, namely, Mr. Pang Cheung Wai, Thomas (Chairman), Mr. Lee Yiu Pui and Mr. Poon Tak Ching. Accordingly, a majority of the members are independent non-executive Directors.

## **NOMINATION COMMITTEE**

The nomination committee of the Company (the “Nomination Committee”) was established on 27 May 2019 with specific written terms of reference in compliance with the CG Code for the purpose of 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 assesses each Director’s effectiveness, integrity, and independence, relevant work experience, 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. 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.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions set out in the CG Code during the six months ended 30 June 2025 except the CG Code provision C.2.1.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive should be separate and should not be performed by the same individual. However, we do not have a separate chairlady of the Board (the “Chairlady”) and chief executive of the Company (the “Chief Executive”) and Ms. Ko Sau Mee (“Mrs. Lin”) currently performs these two roles.

In view of Mrs. Lin is one of the co-founders of the Group and has been operating and managing the Group since 2000, the Board believes that vesting the roles of both Chairlady and Chief Executive in the same person has the benefit of ensuring consistent leadership within the Company and enables more effective and efficient overall strategic planning for the Company. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively, given that (i) any decision to be made by the Board requires approval by at least a majority of the Directors and as the Board comprises three independent non-executive Directors out of seven Directors, we believe there is sufficient check and balance in the Board; (ii) Mrs. Lin and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that she acts for the benefit and in the best interests of the Company and Shareholders and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high-calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial and operational decisions of the Group are made collectively after thorough discussion at both the Board and senior management levels. The Board will continue to review and consider separating the roles of Chairlady and Chief Executive at a time when it is appropriate and suitable by taking into account the circumstances of the Company as a whole.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the publicly available information and to the best of the Directors’ knowledge, information and belief, the Company had maintained sufficient public float of not less than 25% of its total issued Shares as required under the Listing Rules for the six months ended 30 June 2025 and to the date of this announcement.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors’ securities transactions. All Directors have confirmed that, following specific enquiries made by the Company, they have complied with the required standards set out in the Model Code for the six months ended 30 June 2025.

## **DIVIDENDS**

The Board has resolved to declare an interim dividend of HK3.24 cents per Share for the six months ended 30 June 2025 (six months ended 30 June 2024: HK1.42 cents per Share) to be payable on or around 28 October 2025 to the shareholders of the Company whose names appear on the register of members of the Company on 10 September 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 5 September 2025 to 10 September 2025, both days inclusive, during which period no transfers of Shares shall be effected. In order to qualify for the interim 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 4 September 2025.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company (<http://www.botny.com>). The interim report of the Company for the six months ended 30 June 2025 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 21 August 2025

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

\* *For identification purpose only*