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

2026

INTERIM REPORT

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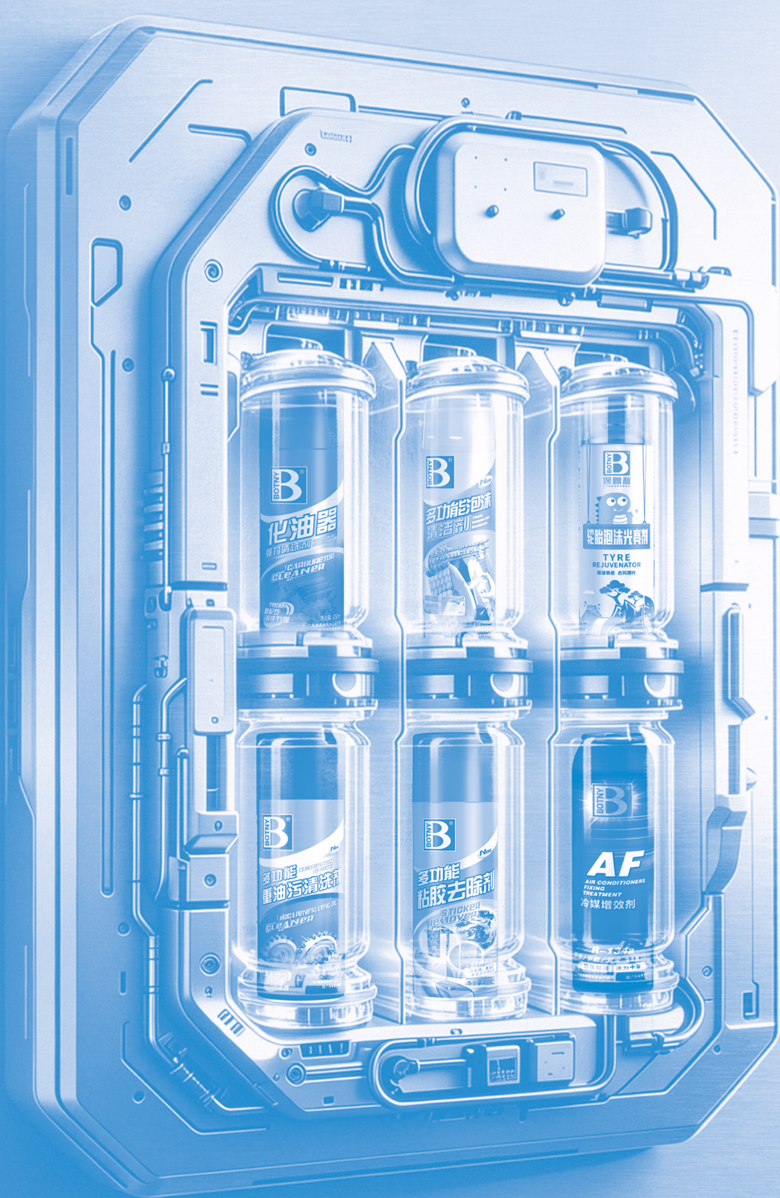

CORPORATE INFORMATION

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

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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

RSM Hong Kong
Certified Public Accountant
Public Interest Entity Auditor
29th Floor, Lee Garden Two,
28 Yun Ping Road,
Causeway Bay, Hong Kong

CORPORATE INFORMATION

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
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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

Industrial and Commercial Bank of China Limited
Bank of China Limited
CTBC Bank Co., Limited
Bangkok Bank Public Company Limited

STOCK CODE

1861

WEBSITE FOR THE COMPANY

www.botny.com

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 2026, 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 an increase in sales which was mainly attributed to the increase of sales from a new global customer, while being offset by a significant decrease in e-commerce sales. 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 2026, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

For the six months ended 30 June 2026, the Group recorded a turnover of approximately HK$333.3 million (six months ended 30 June 2025: approximately HK$324.7 million), representing an increase of approximately 2.6% as compared to the corresponding period of 2025, which was mainly attributed to the increase of sales from a new global customer in the PRC, while being offset by a significant decrease in e-commerce sales.

For the six months ended 30 June 2026, the Group generated revenue of approximately HK$265.4 million (six months ended 30 June 2025: approximately HK$283.7 million) from PRC customers, representing a decrease of approximately 6.5% as compared to the corresponding period of 2025. Although the Group expanded its customer base by securing orders from a new global customer within the PRC market, the increase was offset by a significant contraction in e-commerce platform sales and overall cautious consumer spending in the domestic market during the period.

For the six months ended 30 June 2026, the Group recorded revenue from overseas customers of approximately HK$68.0 million (six months ended 30 June 2025: approximately HK$41.0 million), representing a significant increase of approximately 65.7% as compared to the corresponding period of 2025. The significant increase in overseas sales was mainly attributable to the steady recovery of demand in key export markets, improved supply chain efficiency, and the Group's proactive efforts in expanding its international market reach during the period.

Cost of Sales

For the six months ended 30 June 2026, cost of sales of the Group amounted to approximately HK$215.6 million (six months ended 30 June 2025: HK$180.6 million), representing approximately 64.7% of the total turnover for the period (six months ended 30 June 2025: approximately 55.6%). The increase of approximately 19.4% in cost of sales was mainly attributable to: (i) a shift in the overall product and channel sales mix resulting from a significant decrease of approximately 60.0% in higher-margin e-commerce sales during the period; and (ii) an increase in average raw material prices, including tinplate containers, solvents, and gas; which was partially offset by (iii) ongoing automation and process optimization in manufacturing, which helped mitigate labor and overhead expenses.

Gross Profit and Gross Profit Margin

The Group recorded a gross profit of approximately HK$117.7 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$144.2 million), representing a decrease of approximately 18.3% as compared to the corresponding period of 2025. Gross profit margin decreased to approximately 35.3% for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 44.4%). The decrease in gross profit and gross profit margin was mainly driven by: (i) a shift in product and channel mix resulting from a contraction of approximately 60.0% in higher-margin e-commerce sales of the Group's OBM products across online platforms; and (ii) an increase in raw material prices, including tinplate containers, solvents, and gas, driven by rising crude oil prices during the period; which was partially offset by (iii) continuous automation and process optimization in manufacturing, which helped sustain production efficiency.

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 2026, other income and gains of the Group were approximately HK$6.2 million (six months ended 30 June 2025: approximately HK$26.4 million), representing a significant decrease of approximately 76.5% as compared to the corresponding period of 2025. The decrease was primarily attributable to: (i) the high base effect in the prior period resulting from a one-off gain on disposal of approximately HK$14.3 million arising from the sale of a vessel during the six months ended 30 June 2025 (six months ended 30 June 2026: Nil); and (ii) a decrease in net foreign exchange income, mainly resulting from less favorable foreign currency exchange rate movements during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2026, selling and distribution expenses were approximately HK$36.1 million (six months ended 30 June 2025: approximately HK$69.7 million), representing a significant decrease of approximately 48.3% as compared to the corresponding period of 2025. The significant decrease was primarily due to a decrease in advertisement and promotion costs, amounting to approximately HK$20.6 million (six months ended 30 June 2025: HK$53.9 million) during the six months ended 30 June 2026, as the Group strategically scaled down and faded out its less profitable e-commerce businesses.

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 2026, administrative expenses were approximately HK$31.2 million (six months ended 30 June 2025: approximately HK$22.6 million), representing an increase of approximately 38.0% as compared to the corresponding period of 2025. The increase in administrative expenses was primarily due to (i) agency fees and general expenses incurred for the acquisition of property in Hong Kong, (ii) an overall increase in professional fees, and (iii) a general increase in staff salaries, pension contributions, and social insurance expenses.

Other Expenses

Other expenses mainly comprised provision for asset impairment, net exchange losses, losses on disposal of property, plant and equipment, and charitable donations. For the six months ended 30 June 2026, other expenses amounted to approximately HK$44.2 million, representing a substantial increase of approximately 3,477.7% compared to approximately HK$1.2 million for the six months ended 30 June 2025. The increase in other expenses was primarily attributable to (i) a provision for asset impairment of approximately HK$31.6 million recognized during the period (six months ended 30 June 2025: Nil); and (ii) a net exchange loss of approximately HK$10.0 million recorded for the period (six months ended 30 June 2025: Nil).

Impairment Loss on Thailand Production Plant

In compliance with relevant accounting standards (IAS 36 *Impairment of Assets*), the Group conducted an impairment assessment on its cash-generating unit ("CGU") relating to the production plant located in Thailand (the "Factory") as at 30 June 2026. Due to the Factory's capacity utilization rate and operational throughput falling below management's initial expectations, an impairment loss of approximately HK$31.6 million was recognized on property, plant and equipment for the six months ended 30 June 2026.

To assist management in determining the recoverable amount of the Factory CGU, the Group engaged an independent qualified professional valuer to perform a valuation under the Value-in-Use ("VIU") approach:

- Value-in-Use: The operational VIU was appraised by an independent professional valuer based on discounted cash flow projections covering a 5-year forecast period. A pre-tax discount rate of 14.41% (post-tax discount rate: 12.08%) was applied, reflecting current market assessments of the time value of money and specific operational and market risks associated with the Factory CGU.

MANAGEMENT DISCUSSION AND ANALYSIS

The recoverable amount of the Factory CGU was determined based on its VIU, as management determined that the Fair Value Less Costs of Disposal could not be reliably estimated due to a lack of comparable market transactions, or was otherwise lower than the VIU. Based on this valuation, the recoverable amount of the Factory CGU was lower than its carrying amount as at 30 June 2026, resulting in the recognition of the HK$31.6 million impairment loss in profit or loss for the period.

Finance Costs

For the six months ended 30 June 2026, the finance costs of the Group were approximately HK$0.7 million (six months ended 30 June 2025: approximately HK$0.7 million), remaining relatively stable as compared to the corresponding period of 2025.

Net (Loss)/Profit

The Group recorded a net loss attributable to owners of the Company of approximately HK$14.4 million for the six months ended 30 June 2026, as compared to a net profit attributable to owners of the Company of approximately HK$52.7 million for the six months ended 30 June 2025. The turn from profit to loss was primarily driven by the combined effects of: (i) the non-recurrence of the gain on disposal of approximately HK$14.3 million arising from the disposal of a vessel recorded in the corresponding period in 2025; (ii) a decrease in e-commerce sales during the period, which resulted in a decrease of approximately 18.3% in gross profit, despite a reduction of approximately 48.3% in selling and distribution expenses; and (iii) an impairment loss of approximately HK$31.6 million recognised for the factory production site in Thailand 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 2026, the Group had net current assets of approximately HK$130.5 million (31 December 2025: approximately HK$156.1 million). The Group's cash and cash equivalents (including pledged bank deposits) amounted to HK$139.7 million as at 30 June 2026 (31 December 2025: HK$173.2 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 1.7 as at 30 June 2026 (31 December 2025: approximately 2.2).

Borrowings and the Pledge of Assets

As of 30 June 2026, the Group's bank borrowings amounted to approximately HK$60.8 million (31 December 2025: approximately HK$16.3 million), with maturities ranging between 2026 and 2027. These facilities were secured by the Group's property, plant and equipment, as well as leasehold land, and carried floating interest rates benchmarked to the Minimum Lending Rate, HIBOR, and Loan Prime Rate.

As at 30 June 2026, we had available unutilized banking facilities of approximately HK$377.2 million (31 December 2025: HK$354.2 million).

Gearing Ratio

As a result of the decrease in cash and cash equivalents and the increase 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 3.1% as at 30 June 2026 (31 December 2025: not applicable).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

As at 30 June 2026, the total number of issued shares of the Company (the "Shares") was 233,917,250 (31 December 2025: 233,917,250).

FOREIGN EXCHANGE EXPOSURE AND EXCHANGE RATE RISK

Approximately 20.4% of the Group's revenue for the six months ended 30 June 2026 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 2026, 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 2026, the Group had a workforce of 474 employees (31 December 2025: 459 employees). The staff costs, including directors' emoluments but excluding any contributions to the pension scheme, were approximately HK$22.4 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$20.7 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 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 2026.

SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group did not have any significant investments (31 December 2025: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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 announcements issued by the Company dated 7 January 2026 and 13 January 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

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, during the six months ended 30 June 2026, 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 2026.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group's capital commitments approximately amounted to HK$20.5 million representing the commitment of plant and machinery (31 December 2025: HK$0.4 million).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no significant contingent liabilities (31 December 2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, 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 2026 and up to the date of this report.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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Independent review report
To the board of directors of Precious Dragon Technology Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 11 to 34, which comprises the condensed consolidated statement of financial position of Precious Dragon Technology Holdings Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*"issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Certified Public Accountants

Hong Kong

21 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
REVENUE	4	**333,342**	324,749
Cost of sales		**(215,619)**	(180,589)
Gross profit		**117,723**	144,160
Other income and gains, net		**6,202**	26,422
Selling and distribution expenses		**(36,067)**	(69,728)
Administrative expenses		**(31,187)**	(22,597)
Research and development expenses		**(14,049)**	(11,169)
Reversal/(allowance for) of impairment losses on financial assets, net		**1,776**	(680)
Other expenses		**(44,184)**	(1,235)
Finance costs		**(740)**	(710)
(LOSS)/PROFIT BEFORE TAX	5	**(526)**	64,463
Income tax expenses	6	**(13,881)**	(11,752)
(LOSS)/PROFIT FOR THE PERIOD		**(14,407)**	52,711
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**16,391**	2,920
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,984**	55,631
(Loss)/profit attributable to:			
Owners of the Company		**(14,407)**	52,711
Non-controlling interest		**—**	—
		(14,407)	52,711
Total comprehensive income attributable to:			
Owners of the Company		**1,967**	55,636
Non-controlling interest		**17**	(5)
		1,984	55,631
(LOSSES)/EARNINGS PER SHARE	8		
Basic (HK$)		**(6.2) cents**	22.5 cents
Diluted (HK$)		**(6.2) cents**	22.5 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**201,381**	173,338
Right-of-use assets		**47,891**	46,827
Deferred tax assets		**5,616**	5,622
Prepayments, deposits and other receivables		**—**	8,027
Total non-current assets		**254,888**	233,814
CURRENT ASSETS			
Inventories		**45,534**	38,143
Trade and bills receivables	10	**108,553**	64,518
Prepayments, deposits and other receivables		**18,513**	14,814
Pledged bank deposits		**3,327**	4,167
Cash and cash equivalents		**136,356**	169,061
Total current assets		**312,283**	290,703
CURRENT LIABILITIES			
Trade and bills payables	11	**72,733**	47,033
Other payables and accruals		**42,197**	53,031
Interest-bearing bank and other borrowings	12	**60,917**	10,964
Tax payables		**5,673**	23,331
Deferred income		**241**	221
Total current liabilities		**181,761**	134,580
NET CURRENT ASSETS		**130,522**	156,123
TOTAL ASSETS LESS CURRENT LIABILITIES		**385,410**	389,937
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	**25**	5,477
Deferred tax liabilities		**5,666**	6,627
Deferred income		**345**	443
Total non-current liabilities		**6,036**	12,547
NET ASSETS		**379,374**	377,390

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital		**2,339**	2,339
Other reserves		**377,427**	375,460
		379,766	377,799
Non-controlling interests		**(392)**	(409)
Total equity		**379,374**	377,390

Approved by the Board of Directors on 21 August 2026.

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Ko Sau Mee
Director

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Lin Hing Lung
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium account HK$'000	Merger reserve HK$'000	Share option reserve HK$'000	Other reserve HK$'000	Reserve funds HK$'000	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 31 December 2025 (audited)	2,339	38,507	(62,722)	5,113	(107,016)	57,108	(19,568)	464,038	377,799	(409)	377,390
Loss for the period	–	–	–	–	–	–	–	(14,407)	(14,407)	–	(14,407)
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	16,374	–	16,374	17	16,391
Total comprehensive income for the period	–	–	–	–	–	–	16,374	(14,407)	1,967	17	1,984
At 30 June 2026 (unaudited)	2,339	38,507	(62,722)	5,113	(107,016)	57,108	(3,194)	449,631	379,766	(392)	379,374

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium account HK$'000	Merger reserve HK$'000	Share option reserve HK$'000	Other reserve HK$'000	Reserve funds HK$'000	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 31 December 2024 (audited)	2,339	38,507	(62,722)	5,145	(107,016)	54,275	(25,343)	420,723	325,908	(428)	325,480
Profit for the period	—	—	—	—	—	—	—	52,711	52,711	—	52,711
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	—	—	—	—	—	—	2,925	—	2,925	(5)	2,920
Total comprehensive income for the period	—	—	—	—	—	—	2,925	52,711	55,636	(5)	55,631
Transfer of share option reserve upon the forfeiture or expiry of share options	—	—	—	(32)	—	—	—	32	—	—	—
Transfer from retained profits	—	—	—	—	—	1,244	—	(1,244)	—	—	—
At 30 June 2025 (unaudited)	2,339	38,507	(62,722)	5,113	(107,016)	55,519	(22,418)	472,222	381,544	(433)	381,111

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(526)**	64,463
Adjustments for:			
Finance costs		**740**	710
Interest income		**(1,014)**	(997)
Loss/(gain) on disposal of items of property, plant and equipment	5	**182**	(14,230)
Depreciation of property, plant and equipment	5	**8,901**	9,287
Depreciation of right-of-use assets	5	**790**	766
Write-down of inventories to net realisable value	5	**1,023**	1,069
Impairment losses on property, plant and equipment	5	**31,594**	—
(Reversal of)/Allowance for impairment losses on financial assets	5	**(1,776)**	680
		39,914	61,748
(Increase)/decrease in inventories		**(7,136)**	217
Increase in trade and bills receivables		**(38,935)**	(22,080)
Increase in prepayments, deposits and other receivables		**(3,305)**	(5,609)
Increase/(decrease) in trade and bills payables		**23,960**	(16)
Decrease in other payables and accruals		**(6,928)**	(5,173)
Decrease in deferred income		**(104)**	(110)
Decrease in pledged bank deposits		**1,001**	2,208
Cash generated from operations		**8,467**	31,185
Withholding tax paid		**(3,726)**	(2,193)
Tax paid		**(28,436)**	(8,248)
Net cash flows (used in)/generated from operating activities		**(23,695)**	20,744

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(68,246)**	(2,133)
Decrease/(increase) in long-term prepayment	**8,027**	(120)
Proceeds from disposal of items of property, plant and equipment	**577**	35,421
Interest received from banks	**1,014**	997
Net cash flows (used in)/generated from investing activities	**(58,628)**	34,165
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from borrowings	**57,513**	—
Repayment of borrowings	**(13,808)**	(5,300)
Principal portion of lease payments	**(68)**	(66)
Interest paid	**(740)**	(710)
Net cash flows generated from/(used in) financing activities	**42,897**	(6,076)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(39,426)**	48,833
Net foreign exchange difference	**6,721**	1,423
Cash and cash equivalents at beginning of period	**169,061**	105,610
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**136,356**	155,866

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2025 annual financial statements. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the "Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments", the "Annual Improvements to IFRS Accounting Standards – Volume 11" and "Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity for the first time from 1 January 2026. The Group did not change its accounting policy or make retrospective adjustment as a result of adopting the abovementioned amended standards.

The application of the new and amendments to IFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2026	Automotive beauty and maintenance products HK$'000 (Unaudited)	Personal care products HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Segment revenue (note 4):			
External customers	216,823	116,519	333,342
Intersegment sales	1,585	14,971	16,556
Total	218,408	131,490	349,898
Reconciliation:			
Elimination of intersegment sales			(16,556)
Revenue			333,342
Segment results	(15,637)	29,188	13,551
Reconciliation:			
Interest income			1,014
Corporate and other unallocated expenses			(14,351)
Finance costs			(740)
Loss before tax			(526)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

3. OPERATING SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2025	Automotive beauty and maintenance products HK$'000 (Unaudited)	Personal care products HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Segment revenue (note 4):			
External customers	257,822	66,927	324,749
Intersegment sales	199	14,365	14,564
Total	258,021	81,292	339,313
Reconciliation:			
Elimination of intersegment sales			(14,564)
Revenue			324,749
Segment results	98,111	15,625	113,736
Reconciliation:			
Interest income			997
Corporate and other unallocated expenses			(49,560)
Finance costs			(710)
Profit before tax			64,463

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

3. OPERATING SEGMENT INFORMATION *(continued)*

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2026 and 31 December 2025, respectively.

As at 30 June 2026	Automotive beauty and maintenance products HK$'000 (Unaudited)	Personal care products HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Segment assets	312,254	169,061	481,315
Reconciliation:			
Elimination of intersegment receivables			(2,486)
Corporate and other unallocated assets			88,342
Total assets			567,171
Segment liabilities	99,403	40,168	139,571
Reconciliation:			
Elimination of intersegment payables			(2,486)
Corporate and other unallocated liabilities			50,712
Total liabilities			187,797

As at 31 December 2025	Automotive beauty and maintenance products HK$'000 (Audited)	Personal care products HK$'000 (Audited)	Total HK$'000 (Audited)
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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**333,342**	324,749

Disaggregated revenue information

For the six months ended 30 June 2026

Segments	**Automotive beauty and maintenance products HK$'000 (Unaudited)**	**Personal care products HK$'000 (Unaudited)**	**Total HK$'000 (Unaudited)**
Type of goods			
Sale of products	**216,823**	**116,519**	**333,342**
Geographical markets			
Mainland China	**156,305**	**109,061**	**265,366**
Japan	**48,592**	**—**	**48,592**
Other countries/areas in Asia Pacific	**1,646**	**2,233**	**3,879**
Middle East	**3,485**	**—**	**3,485**
America	**4,031**	**4,675**	**8,706**
Africa	**109**	**—**	**109**
Others	**2,655**	**550**	**3,205**
Total revenue from contracts with customers	**216,823**	**116,519**	**333,342**
Timing of revenue recognition			
Goods transferred at a point in time	**216,823**	**116,519**	**333,342**

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. REVENUE *(continued)*

Disaggregated revenue information *(continued)*

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)
Type of goods			
Sale of products	257,822	66,927	324,749
Geographical markets			
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	257,822	66,927	324,749
Timing of revenue recognition			
Goods transferred at a point in time	257,822	66,927	324,749

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

5. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**215,619**	180,589
Depreciation of property, plant and equipment	**8,901**	9,287
Depreciation of right-of-use assets	**790**	766
Research and development costs	**14,049**	11,169
Lease payments not included in the measurement of lease liabilities	**—**	6
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**22,375**	20,735
Pension scheme contributions	**2,370**	2,045
	24,745	22,780
Exchange losses/(gains), net	**9,959**	(6,525)
Loss/(gain) on disposal of items of property, plant and equipment, net	**182**	(14,230)
(Reversal of)/allowance for impairment losses on financial assets	**(1,776)**	680
Impairment loss on property, plant and equipment including in other expenses	**31,594**	—
Write-down of inventories to net realisable value	**1,023**	1,069

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

6. INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 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 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

According to the Corporate Income Tax Law of the PRC (the "CIT Law"), the income tax provision of the Group in respect of its operations in Mainland China has been calculated at the applicable corporate tax rate of 25% (2025: 25%) on the estimated assessable profits based on existing legislations, interpretations and practices. 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 periods of 2026 and 2025.

Pursuant to the CIT Law, a 5% (2025: 5%) withholding tax is levied on the dividends declared to the investors certified as Hong Kong resident enterprises from companies established in Mainland China and a 10% (2025:10%) withholding tax is levied on the dividends declared to overseas investors from companies established in Mainland China.

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current- Mainland China		
Charge for the period	**14,836**	12,228
Underprovision in prior years	**—**	12
Deferred tax credit	**(955)**	(488)
	13,881	11,752

7. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Proposed interim – Nil (2025: HK3.24 cents per ordinary share)	**—**	7,579

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

8. (LOSSES)/EARNINGS PER SHARE

The calculation of the basic (losses)/earnings per share amount is based on the (loss)/profit for the period attributable to owner of the Company, and the weighted average number of ordinary shares of 233,917,250 (2025: 233,917,250) in issue during the period.

No adjustment has been made to the basic (losses)/earnings per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share option outstanding had an anti-dilutive effect on the basic (losses)/earnings per share amounts presented.

The calculations of basic and diluted (losses)/earnings per share are based on:

	2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
(Losses)/earnings		
(Loss)/profit attributable to owners of the Company, used in the basic and diluted (losses)/earnings per share calculations	**(14,407)**	52,711

	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares in issue used in the basic (losses)/earnings per share calculation	**233,917,250**	233,917,250

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately HK$68,246,000 (30 June 2025:HK$2,133,000).

Property, plant and equipment with a net book value of HK$759,000 were disposed of by the Group during the six months ended 30 June 2026 (30 June 2025: HK$21,191,000), resulting in net losses on disposal of HK$182,000 (30 June 2025: net gains on disposal of HK$14,230,000).

During the six months ended 30 June 2026, impairment losses amounting to HK$31,594,000 (30 June 2025: Nil) were recognised on certain property, plant and equipment related to Precious Dragon Technology Thai Limited business in segment of Automotive beauty and maintenance products due to the manufacturing utilization rate and condition not meeting the Group's expectations. The management conducted an impairment review together with the assistance of an independent valuer, and assessed the recoverable amounts of non financial assets from Precious Dragon Technology Thai Limited business which refer to the current operation situation and estimated cash flow of the Group as basis. The recoverable amounts of such assets were determined based on value-in-use calculations. Key inputs to the determination of the recoverable amounts include revenue growth rates and discount rates. The revenue growth rates and pretax discount rate used to determine the recoverable amounts are 2% and approximately 14.4%, respectively. The recoverable amounts of such assets as at 30 June 2026 were approximately HK$66,726,400. As the recoverable amounts of such assets in Precious Dragon Technology Thai Limited business are lower than their carrying amounts, the impairment losses of HK$31,594,000 was recognised on property, plant and equipment.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

10. TRADE AND BILLS RECEIVABLES

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

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 30 days	**37,583**	28,905
31 to 60 days	**38,570**	15,427
61 to 90 days	**22,559**	12,612
Over 90 days	**9,841**	7,574
	108,553	64,518

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 30 days	**37,816**	25,784
31 to 60 days	**14,106**	7,776
61 to 90 days	**5,863**	5,276
Over 90 days	**14,948**	8,197
	72,733	47,033

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Contractual interest rate	Maturity	HK$'000	Contractual interest rate	Maturity	HK$'000
Current						
Lease liabilities	1.60%~5.25%	2026	92	1.60%~5.25%	2026	124
Current portion of long term bank loans – secured	MLR-1.0%	2027	10,384	MLR-1.0%	2026	10,840
Bank loans – secured	HIBOR+1.0%	on demand	27,414	N/A	N/A	—
Bank loans – unsecured	LPR-0.7%	2027	23,027	N/A	N/A	—
			60,917			10,964
Non-current						
Lease liabilities	2.45%	2027	25	2.45%	2027	56
Long term bank loans – secured	N/A	N/A	—	MLR-1.0%	2027	5,421
			25			5,477
			60,942			16,441

Note:

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

"HIBOR" stands for the Hong Kong Interbank Offered Rate, which represents the interest rate offered on Hong Kong dollar loans between banks in the Hong Kong interbank market.

"LPR" stands for the Loan Prime Rate announced by the National Interbank Funding Center under the authorization of the People's Bank of China.

The analysis of the repayment schedule of interest-bearing bank and other borrowings is as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within one year or on demand	60,917	10,964
More than one year, but not exceeding two years	25	5,477
	60,942	16,441

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

13. COMMITMENTS

The Group had the following capital commitments at the balance sheet date:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Contracted, but not provided for:		
Land and buildings	**20,004**	—
Plant and machinery	**537**	385
	20,541	385

14. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Purchases of products from:			
Euro Asia Packaging (Guangdong) Co., Ltd. (廣東歐亞包裝有限公司) ("Euro Asia Packaging")	(i)	**28,253**	5,741
Lease rental expenses charged by:			
Mr. Lin Wan Tsang ("Mr. Lin")*	(ii)	**33**	33

* Ultimate shareholder of the Company

(i) Euro Asia Packaging is a related party controlled by the ultimate shareholder of the Company. The sales and purchases between the companies were made on 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.

(b) Outstanding balance with related party:

The Group had an outstanding balance due to its related parties controlled by the ultimate shareholder of the Company of HK$6,380,000 (31 December 2025: HK$8,409,000) including in trade payables as at the end of the reporting period. This balance is unsecured, interest-free and has no fixed terms of repayment.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

14. RELATED PARTY TRANSACTIONS *(continued)*

(c) Compensation of directors and key management personnel of the Group:

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Fees	**3,873**	3,278
Salaries, allowances and benefits in kind	**1,029**	752
Pension scheme contributions	**150**	106
Total compensation paid to directors and key management personnel	**5,052**	4,136

15. 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 the 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 shares, 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).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

15. SHARE OPTION SCHEME *(continued)*

Pre-IPO Share Option Scheme *(continued)*

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

	Weighted average exercise price HK$ per share	Number of options
At 31 December 2025	**2.17**	**6,557,500**
Forfeited during the period	**N/A**	**—**
At 30 June 2026	**2.17**	**6,557,500**

	Weighted average exercise price HK$ per share	Number of options
At 31 December 2024	2.17	6,607,500
Forfeited during the period	2.17	(50,000)
At 30 June 2025	2.17	6,557,500

During the period no share options were exercised (30 June 2025: nil).

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 granted under the Pre-IPO Share Option Scheme 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

15. SHARE OPTION SCHEME *(continued)*

Pre-IPO Share Option Scheme *(continued)*

As at 30 June 2026, the Company had 6,557,500 (31 December 2025: 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.

2019 Share Option Scheme

The Company operates a share option scheme (the "2019 Share Option Scheme") for the purpose 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 follow:

(i) any eligible employee ("Eligible Employee") means 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

15. SHARE OPTION SCHEME *(continued)*

2019 Share Option Scheme *(continued)*

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 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.

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;

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

15. SHARE OPTION SCHEME *(continued)*

2023 Share Option Scheme *(continued)*

(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.

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 six months ended 30 June 2026, no share options were granted, exercised, lapsed and cancelled under the 2023 Share Option Scheme.

16. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after 30 June 2026 and up to the date of this report.

OTHER INFORMATION

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

As at 30 June 2026, 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 of Hong Kong Limited (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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (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		
Names 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	288,000	–	–	–	288,000	0.12%

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 30 June 2026 (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.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

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 30 June 2026, 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 30 June 2026, 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

Names 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 30 June 2026 (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 30 June 2026, 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.

OTHER INFORMATION

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 period or at any time during the period.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the six months ended 30 June 2026 and up to the date of this report, none of the Directors or any of their respective close associates has engaged in any business that had competed or may compete with the business of the Group and any other conflict of interests which any such person had or might have with the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the sections 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 six months ended 30 June 2026 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.

PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

The Company conditionally adopted the Pre-IPO Share Option Scheme on 12 April 2019, which became effective on 21 June 2019 (the "Listing Date") and options in respect of 7,765,000 Shares under the Pre-IPO Share Option Scheme had been granted on 17 May 2019. The Company also conditionally adopted a share option scheme on 12 April 2019 (the "2019 Share Option Scheme"), which became effective on the Listing Date and was terminated on 19 May 2023 and no option had been granted by the Company up to the date of termination. The Company adopted a new share option scheme (the "2023 Share Option Scheme"), which became effective on 19 May 2023 and no share options were granted, exercised, lapsed and cancelled up to the date of this report.

OTHER INFORMATION

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.

Initially, options to subscribe for an aggregate of 7,765,000 Shares had been granted to the Grantees. The total number of securities available for issue under the Pre-IPO Share Option Scheme is 6,557,500 Shares, representing approximately 2.8% of the total issued Shares as at the date of this report. 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. 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. Each of the Grantees is required to pay HK$1.00 on acceptance of the options granted under the Pre-IPO Share Option Scheme.

PRE-IPO SHARE OPTION SCHEME *(Continued)*

Set out below is further information on the outstanding share options granted under the Pre-IPO Share Option Scheme as at 30 June 2026:

		Number of share options							
Names of the Grantees	Date of grant	Outstanding as at 1 January 2026	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 30 June 2026	Exercise price per Share HK$	Weighted average closing price of the Shares before the date(s) of which the shares options were exercised 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	4,980,000	–	–	–	–	4,980,000	2.17	–
Total		6,557,500	–	–	–	–	6,557,500		

During the six months ended 30 June 2026, 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 15 to the interim condensed consolidated financial information.

2019 SHARE OPTION SCHEME

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

The 2019 Share Option Scheme is a share incentive scheme and is established to recognize and motivate the contributions that eligible participants (as defined in the Prospectus) have made or may make to the Group.

The 2019 Share Option Scheme was terminated on 19 May 2023.

During the six months ended 30 June 2026, no share options were granted, exercised, lapsed and cancelled under the 2019 Share Option Scheme.

No further options will be granted by the Company pursuant to the 2019 Share Option Scheme. The number of shares that may be issued in respect of options granted under the 2019 Share Option Scheme of the Company during the Period is nil, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the Period.

OTHER INFORMATION

2023 SHARE OPTION SCHEME

The Company adopted the 2023 Share Option Scheme on 19 May 2023. 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 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.

During the six months ended 30 June 2026, no share options were granted, exercised, lapsed and cancelled under the 2023 Share Option Scheme. The number of options available for grant under the scheme mandate of the 2023 Share Option Scheme as at 1 January 2026 and 30 June 2026 is 23,391,725.

The number of shares that may be issued in respects of options grant under the 2023 Share Option Scheme during the Period is nil, representing 0% of the weighted average number of shares of the relevant class in issue of the Company during the Period.

GROUP REORGANIZATION

Our 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 reorganization 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. For details of the group reorganization, please refer to the paragraph headed "Corporate Reorganisation" in Appendix V "Statutory and General Information" to the prospectus of the Company dated 3 June 2019.

The Shares have been listed on the Main Board of the Stock Exchange since 21 June 2019.

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 2026 and recommended its adoption by the Board.

OTHER INFORMATION

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 2026 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 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.

OTHER INFORMATION

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 2026 and to the date of this report.

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 2026.

DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK3.24 cents per Share).

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 2026