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 2026

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 2026, together with the comparative figures for the six months ended 30 June 2025. These results have been reviewed by RSM Hong Kong, 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 2026

	Notes	**2026** **HK$'000** **(Unaudited)**	2025 HK$'000 (Unaudited)
REVENUE	3	**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 of/(allowance for) impairment losses on financial assets, net		**1,776**	(680)
Other expenses		**(44,184)**	(1,235)
Finance costs		**(740)**	(710)
(LOSS)/PROFIT BEFORE TAX	4	**(526)**	64,463
Income tax expenses	5	**(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

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

For the six months ended 30 June 2026

	Notes	**2026**	2025
		HK$'000	HK$'000
		(Unaudited)	(Unaudited)
(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	7		
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		**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	8	**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	9	**72,733**	47,033
Other payables and accruals		**42,197**	53,031
Interest-bearing bank and other borrowings		**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

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 LIABILITIES			
Interest-bearing bank and other borrowings		**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
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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 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 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.

3. 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

<u>Disaggregated revenue information</u>

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**

3. **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

4. (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

5. 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

6. 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

7. (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	2025
	HK$'000	HK$'000
	(unaudited)	(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

8. 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

9. 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

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.

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.

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.

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).

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

Discloseable Transaction in Relation to Acquisition of a Property

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

Save as disclosed above, 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 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 2026 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 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 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 2026 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 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).

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (http://www.botny.com). The interim report of the Company for the six months ended 30 June 2026 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 2026

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

* *For identification purpose only*