

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## PERFECTECH INTERNATIONAL HOLDINGS LIMITED

威發國際集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 00765)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

#### RESULTS

The board (the “Board”) of directors (the “Directors”, and each a “Director”) of Perfectech International Holdings Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 together with the comparative figures for 2024 are set out as follows:

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

*For the year ended 31 December 2025*

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	3 & 4	130,593	136,109
Cost of sales		<u>(89,920)</u>	<u>(107,035)</u>
Gross profit		40,673	29,074
Other income, gains and losses, net	5	4,684	3,296
Distribution costs		(1,929)	(1,879)
Administrative expenses		(50,336)	(58,582)
Finance costs	6	<u>(1,472)</u>	<u>(1,108)</u>
Loss before tax	7	(8,380)	(29,199)
Income tax expense	8	<u>(133)</u>	<u>(174)</u>
<b>Loss for the year</b>		<u><b>(8,513)</b></u>	<u><b>(29,373)</b></u>

\* for identification purposes only

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Other comprehensive income (expense):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>1,024</u>	<u>(983)</u>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<u>1,024</u>	<u>(983)</u>
<b>Total comprehensive expense for the year</b>		<u><u>(7,489)</u></u>	<u><u>(30,356)</u></u>
Loss for the year attributable to:			
Owners of the Company		<u>(7,713)</u>	<u>(27,020)</u>
Non-controlling interests		<u>(800)</u>	<u>(2,353)</u>
<b>Loss for the year</b>		<u><u>(8,513)</u></u>	<u><u>(29,373)</u></u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		<u>(6,978)</u>	<u>(27,854)</u>
Non-controlling interests		<u>(511)</u>	<u>(2,502)</u>
<b>Total comprehensive expense for the year</b>		<u><u>(7,489)</u></u>	<u><u>(30,356)</u></u>
<b>Loss per share</b>	10		
Basic (HK cents per share)		<u><u>(2.13)</u></u>	<u><u>(7.69)</u></u>
Diluted (HK cents per share)		<u><u>(2.13)</u></u>	<u><u>(7.69)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>16,812</b>	14,762
Right-of-use assets		<b>7,286</b>	11,445
		<u><b>24,098</b></u>	<u>26,207</u>
<b>CURRENT ASSETS</b>			
Inventories		<b>16,731</b>	16,601
Trade and other receivables	11	<b>66,626</b>	11,581
Financial assets at fair value through profit or loss		<b>2,431</b>	2,422
Tax recoverable		<b>1,011</b>	1,140
Bank balances and cash		<b>25,493</b>	24,547
		<u><b>112,292</b></u>	<u>56,291</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	<b>27,164</b>	19,136
Lease liabilities		<b>363</b>	1,451
Tax liabilities		—	26
Amounts due to a director of subsidiaries	13	<b>12,387</b>	6,443
Other borrowings	14	<b>3,450</b>	1,000
Amounts due to a substantial shareholder	15	<b>2,396</b>	—
		<u><b>45,760</b></u>	<u>28,056</u>
<b>NET CURRENT ASSETS</b>		<u><b>66,532</b></u>	<u>28,235</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>90,630</b></u>	<u>54,442</u>
<b>NON-CURRENT LIABILITY</b>			
Lease liabilities		<b>7,086</b>	11,432
<b>NET ASSETS</b>		<u><b>83,544</b></u>	<u>43,010</u>

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>CAPITAL AND RESERVES</b>			
Share capital	16	<b>49,038</b>	32,692
Reserves		<b>26,748</b>	1,851
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>75,786</b>	34,543
Non-controlling interests		<b>7,758</b>	8,467
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>83,544</b>	43,010
		<hr/> <hr/>	<hr/> <hr/>

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the year ended 31 December 2025*

### **1. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

The principal activities of the Group are the manufacture and sale of novelties, decoration and toy products.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

### **2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs**

#### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

HKAS 21 (Amendments)	Lack of Exchangeability
----------------------	-------------------------

The adoption of the amendments to HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective. The management of the Group anticipates that the application of these new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
HKFRS Accounting Standards (Amendments)	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
HKFRS 19 (Amendments)	Amendments to Subsidiaries without Public Accountability: Disclosures <sup>3</sup>

<sup>1</sup> Effective date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

### 3. REVENUE

Revenue represents the amounts received and receivable for goods sold by the Group to external customers, less returns and trade discounts during the year.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers recognised at a point in time under HKFRS 15 <i>Revenue from Contracts with Customers</i> ("HKFRS 15"):		
Novelties and decoration products	—	—
Toy products	<u>130,593</u>	<u>136,109</u>
	<u><u>130,593</u></u>	<u><u>136,109</u></u>

#### 4. SEGMENT REPORTING

For management purposes, the Group is currently organised into two operating segments, namely the manufacture and sale of novelties and decoration products and the manufacture and sale of toy products.

The following is an analysis of the Group's revenue and results by reportable segments:

**2025**

	<b>Novelties and decoration products HK\$'000</b>	<b>Toy products HK\$'000</b>	<b>Consolidated HK\$'000</b>
<b>REVENUE</b>			
External sales and total revenue	<u>—</u>	<u>130,593</u>	<u>130,593</u>
<b>RESULT</b>			
Segment results	<u>(538)</u>	<u>(1,774)</u>	<u>(2,312)</u>
Gain on disposal of financial assets at fair value through profit or loss ("FVTPL")			1,762
Fair value loss on financial assets at FVTPL			(1,677)
Gain on termination of lease			1,407
Unallocated corporate expenses			(6,088)
Finance costs			<u>(1,472)</u>
Loss before tax			(8,380)
Income tax expense			<u>(133)</u>
Loss for the year			<u>(8,513)</u>
	<b>Novelties and decoration products HK\$'000</b>	<b>Toy products HK\$'000</b>	<b>Consolidated HK\$'000</b>
<b>ASSETS</b>			
Segment assets	2,012	82,897	84,909
Unallocated corporate assets			<u>51,481</u>
Consolidated total assets			<u>136,390</u>
<b>LIABILITIES</b>			
Segment liabilities	493	30,177	30,670
Unallocated corporate liabilities			<u>22,176</u>
Consolidated total liabilities			<u>52,846</u>

	<b>Novelties and decoration products HK\$'000</b>	<b>Toy products HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Consolidated HK\$'000</b>
Additions of property, plant and equipment	—	5,003	—	5,003
Depreciation of property, plant and equipment	—	3,139	74	3,213
Depreciation of right-of-use assets	—	1,458	—	1,458
	<u>—</u>	<u>1,458</u>	<u>—</u>	<u>1,458</u>
<b>2024</b>				
		Novelties and decoration products HK\$'000	Toy products HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>				
External sales and total revenue		—	136,109	136,109
		<u>—</u>	<u>136,109</u>	<u>136,109</u>
<b>RESULT</b>				
Segment results		(5,213)	(18,220)	(23,433)
		<u>(5,213)</u>	<u>(18,220)</u>	<u>(23,433)</u>
Gain on disposal of financial assets at FVTPL				106
Fair value gain on financial assets at FVTPL				54
Unallocated corporate expenses				(4,818)
Finance costs				(1,108)
				<u>(1,108)</u>
Loss before tax				(29,199)
Income tax expense				(174)
				<u>(174)</u>
Loss for the year				<u>(29,373)</u>

	Novelties and decoration products <i>HK\$'000</i>	Toy products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>ASSETS</b>			
Segment assets	6,765	73,795	80,560
Unallocated corporate assets			<u>1,938</u>
Consolidated total assets			<u><u>82,498</u></u>
<b>LIABILITIES</b>			
Segment liabilities	5,402	25,554	30,956
Unallocated corporate liabilities			<u>8,532</u>
Consolidated total liabilities			<u><u>39,488</u></u>

	Novelties and decoration products <i>HK\$'000</i>	Toy products <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Additions of property, plant and equipment	—	3,876	—	3,876
Depreciation of property, plant and equipment	—	4,025	80	4,105
Depreciation of right-of-use assets	<u>212</u>	<u>329</u>	<u>1,043</u>	<u>1,584</u>

Segment result represents the result produced by each segment without allocation of central administration costs including directors' salaries, other income, finance costs, gain on disposal of financial assets at FVTPL, fair value gain/loss on financial assets at FVTPL, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain financial assets, which are held for central administrative purpose. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and
- all liabilities are allocated to operating segments other than certain financial liabilities incurred for central administrative purpose. Liabilities for segments which are jointly liable are allocated in proportion to segment assets.

## Geographical Information

The Group's revenue from external customers by location of customers are detailed below:

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>1,297</b>	33,829
Europe	<b>3,474</b>	—
United States of America	<b>9,691</b>	7,437
Asia (other than Hong Kong)	<b>113,895</b>	93,866
Others	<b>2,236</b>	977
	<b><u>130,593</u></b>	<u>136,109</u>

The following is an analysis of the carrying amount of segment assets and additions to non-current assets, analysed by the geographical area in where the assets are located:

	<b>Carrying amount of segment assets</b>		<b>Additions to non-current assets</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>73,000</b>	28,513	—	2,117
People's Republic of China ("PRC")	<b>63,390</b>	53,985	<b>12,586</b>	3,876
	<b><u>136,390</u></b>	<u>82,498</u>	<b><u>12,586</u></b>	<u>5,993</u>

## Information about major customers

Included in revenue arising from sales of toy products of approximately HK\$130,593,000 (2024: HK\$136,109,000) is revenue of approximately HK\$121,605,000 (2024: HK\$129,095,000) arising from sales to the Group's largest customer, representing approximately 93% (2024: 95%) of the total revenue. No other single customer contributed 10% or more to the Group's revenue.

## 5. OTHER INCOME, GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income from		
— bank deposits	31	114
— financial assets at FVTPL	46	71
Write-off of long outstanding payables	—	443
Scrap sales ( <i>Note</i> )	1,124	48
(Loss) gain on disposal of property, plant and equipment	(161)	12
Reversal of expected credit loss (“ECL”) on trade receivables	—	87
Gain on disposal of financial assets at FVTPL	1,762	106
Fair value (loss) gain on financial assets at FVTPL	(1,677)	54
Net foreign exchange (loss) gain	(215)	651
Dividend income on financial assets at FVTPL	20	33
Tooling income ( <i>Note</i> )	1,084	950
Transportation income ( <i>Note</i> )	105	110
Subsidies income from the PRC government	57	131
Laboratory testing income ( <i>Note</i> )	592	420
Gain on termination of lease	1,407	1
Other service income ( <i>Note</i> )	250	—
Others	259	65
	<u>4,684</u>	<u>3,296</u>

*Note:* These income are the revenue from contracts with customers recognised at a point in time under HKFRS 15.

## 6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expenses on:		
Lease liabilities	407	743
Amounts due to a director of subsidiaries	829	343
Other borrowings	190	22
Amounts due to a substantial shareholder	46	—
	<u>1,472</u>	<u>1,108</u>

## 7. LOSS BEFORE TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss before tax has been arrived at after charging (crediting):		
Auditor's remuneration		
— Assurance service	785	785
— Non-assurance service	150	—
Cost of inventories recognised as an expense	23,853	32,630
Depreciation of property, plant and equipment	3,213	4,105
Depreciation of right-of-use assets	1,458	1,584
ECL on trade receivables	—	(87)
Short-term operating lease rentals in respect of rented premises	463	374
Staff costs (including directors' emoluments)		
— Salaries, allowances and retirement benefits scheme contributions	78,833	89,301
	<u>78,833</u>	<u>89,301</u>

## 8. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	—	—
PRC Enterprise Income Tax	120	177
	<u>120</u>	<u>177</u>
Under (over) provision in prior years:		
Hong Kong Profits Tax	—	(3)
PRC Enterprise Income Tax	13	—
	<u>13</u>	<u>(3)</u>
	<u>133</u>	<u>174</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% (2024: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2024: 16.5%). The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2024: 16.5%). Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% (2024: 8.25%) on the first HK\$2 million of the estimated assessable profits and at 16.5% (2024: 16.5%) on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

## 9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

## 10. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u>(7,713)</u>	<u>(27,020)</u>
	<b>2025</b> <i>Number of</i> <i>shares</i>	2024 <i>Number of</i> <i>shares</i>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>361,899,997</u>	<u>351,151,824</u>
	<b>2025</b> <i>HK cents</i>	(Restated) 2024 <i>HK cents</i>
Basic loss per share	<u>(2.13)</u>	<u>(7.69)</u>

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the year ended 31 December 2024 has been adjusted for the effect of the rights issue completed on 8 December 2025.

Diluted loss per share for the years ended 31 December 2025 and 2024 was the same as basic loss per share as there were no dilutive potential ordinary shares in issue for both years.

## 11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	13,381	9,891
Less: ECL on trade receivables	<u>(709)</u>	<u>(709)</u>
	<u>12,672</u>	<u>9,182</u>
Other receivables:		
Prepayments for operating expenses	707	246
Rental, utility and other deposits	2,954	1,376
Cash deposit in broker's account	42	10
VAT recoverable	1,095	219
Sundry debtors and others	935	548
Proceeds from the rights issue held by the share registrar*	<u>48,221</u>	<u>—</u>
	<u>53,954</u>	<u>2,399</u>
	<u>66,626</u>	<u>11,581</u>

\* Subsequent to the reporting date, the proceeds were fully received by the Group on 2 January 2026.

The Group allows an average credit period of 60 days to its trade customers.

The following is an aging analysis of the Group's trade receivables, presented based on invoice dates and net of allowance for ECL at the end of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0-60 days	10,655	8,695
61-90 days	1,989	463
91-120 days	1	—
Over 120 days	<u>27</u>	<u>24</u>
	<u>12,672</u>	<u>9,182</u>

The following is an aging analysis of the Group's trade receivables that were past due but not impaired at the end of the reporting period:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Overdue by:		
0–60 days	<b>1,989</b>	463
61–90 days	<b>1</b>	—
91–120 days	<b>27</b>	24
	<u><b>2,017</b></u>	<u>487</u>

The movements in the allowance for ECL on trade and other receivables:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at the beginning of the year	<b>709</b>	796
Allowance for ECL reversed during the year	<u>—</u>	<u>(87)</u>
Balance at the end of the year	<u><b>709</b></u>	<u>709</u>

In determining the recoverability of a trade and other receivable, the Group monitors any change in the credit quality of the trade and other receivable from the date credit was initially granted up to the end of the reporting period.

## 12. TRADE AND OTHER PAYABLES

The following is an aging analysis of the Group's trade payables, presented based on invoice dates at the end of reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables:		
0–60 days	7,303	5,304
61–90 days	209	214
91–120 days	80	176
Over 120 days	381	272
	<u>7,973</u>	<u>5,966</u>
Other payables:		
Accrued salary, bonus and commission	8,129	6,293
Contract liabilities ( <i>Note</i> )	6,161	4,840
Accrued expenses	2,992	1,613
Taxes other than income tax payable	62	188
Payables for property, plant and equipment	165	158
Accrued interest	212	22
Deposits received	1,445	—
Others	25	56
	<u>19,191</u>	<u>13,170</u>
	<u><u>27,164</u></u>	<u><u>19,136</u></u>

The average credit period on purchases of goods is 45 to 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

*Note:* The contract liabilities primarily relate to the deposits or payments received in advance from customer for novelties and decoration products and toys products.

The following table shows how much of the revenue recognised relates to brought-forward contract liabilities.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year:		
— Toys products	4,738	3,339
— Novelties and decoration products	—	—
	<u>4,738</u>	<u>3,339</u>
	<u><u>4,738</u></u>	<u><u>3,339</u></u>

### 13. AMOUNTS DUE TO A DIRECTOR OF SUBSIDIARIES

The amounts represented HK\$11,500,000 due to Ms. Lau Kwai Ngor (2024: HK\$6,100,000), which were interest-bearing at a rate of 12% per annum, unsecured, and repayable on demand.

### 14. OTHER BORROWINGS

The amounts represented HK\$3,450,000 due to certain independent third parties (2024: HK\$1,000,000), which were interest-bearing at a rate of 6% per annum, unsecured, and repayable within 1 year.

### 15. AMOUNTS DUE TO A SUBSTANTIAL SHAREHOLDER

The amounts represented HK\$2,350,000 due to a substantial shareholder (2024: HK\$Nil), which were interest-bearing at a rate of 6% per annum, unsecured, and repayable within 1 year.

### 16. SHARE CAPITAL

	Number of shares		Share capital	
	2025 '000	2024 '000	2025 HK\$'000	2024 HK\$'000
<b>Authorised</b>				
Ordinary shares of HK\$0.10 each	<u>700,000</u>	<u>700,000</u>	<u>70,000</u>	<u>70,000</u>
<b>Issued and fully paid</b>				
At beginning of year	326,924	326,924	32,692	32,692
Issue of new shares by rights issue (Note)	<u>163,461</u>	<u>—</u>	<u>16,346</u>	<u>—</u>
At end of year	<u>490,385</u>	<u>326,924</u>	<u>49,038</u>	<u>32,692</u>

*Note:* On 8 December 2025, the Company raised approximately HK\$48.22 million before expenses by way of issuance of 163,461,803 new ordinary shares pursuant to the rights issue on the basis of one (1) rights share for every two (2) existing shares at HK\$0.295 per rights share. The Company used the net proceeds from the rights issue for general working capital and the development of the artificial intelligence large models. Details of the rights issue are set out in the prospectus dated 14 November 2025 and the announcements of the Company dated 26 September 2025 and 5 December 2025, respectively.

## **DIVIDENDS**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of determining the eligibility of shareholders to attend and vote at the annual general meeting of the Company (“AGM”), the register of members of the Company will be closed from 2 June 2026, Tuesday to 5 June 2026, Friday, (both dates inclusive). During the closure period, no share transfer will be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong at Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 1 June 2026, Monday. The record date for the AGM is 5 June 2026, Friday.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business and Financial Review**

Affected by the resurgence of trade protectionism, the Group’s operating environment remained challenging in 2025. During the year ended 31 December 2025, the Group’s revenue only decreased by about 4% year-on-year to approximately HK\$130,593,000 (2024: HK\$136,109,000) despite facing a tough operating environment. The slight decrease in revenue was mainly due to decline in sales of toy products. The Group recorded a loss for the year ended 31 December 2025 attributable to owners of the Company of approximately HK\$7,713,000 (2024: loss of HK\$27,020,000). The basic and diluted loss per share of the Company (“Share(s)”) were both at 2.13 HK cents (2024: both loss of 7.69 HK cents) after being adjusted for the effect of the rights issue completed on 8 December 2025.

For the year ended 31 December 2025, the Group’s core business recorded a loss of HK\$2,312,000 (2024: loss of HK\$23,433,000). The performance of each segment of the Group’s core business is discussed below.

### **Toy products**

The revenue of the toy products segment decreased by about 4% year-on-year to approximately HK\$130,593,000 (2024: HK\$136,109,000), and accounted for 100% of the total revenue of the Group. The loss of this segment was approximately HK\$1,774,000 (2024: loss of HK\$18,220,000). The decrease in revenue was mainly attributable to the lower sales in the Hong Kong market.

### **Novelties and decoration products**

No revenue was derived from the novelties and decoration products segment (2024: HK\$Nil) and a loss of approximately HK\$538,000 (2024: loss of HK\$5,213,000) was recorded, which mainly comprised staff costs and factory overheads.

### **Distribution costs and administrative expenses**

Distribution costs increased by about 3% year-on-year to approximately HK\$1,929,000 (2024: HK\$1,879,000) as a result of the increase in declaration cost.

Administrative expenses mainly consisted of staff costs (including directors' emoluments), social insurance for the administrative staff in the PRC, depreciation of property, plant and equipment and right-of-use assets, legal and professional fee and other administrative expenses. The administrative expenses decreased significantly by about 14% year-on-year to approximately HK\$50,336,000 (2024: HK\$58,582,000), which was mainly attributable to the decrease in staff costs and directors' emoluments arising from reduction in the average monthly salary of full time employees of the Group during the year ended 31 December 2025.

### **Finance costs**

Finance costs increased by about 33% year-on-year to approximately HK\$1,472,000 (2024: HK\$1,108,000), as a result of the increase in interest on amounts due to a substantial shareholder, amounts due to a director of subsidiaries and other borrowings.

### **Liquidity and financial resources**

As at 31 December 2025, the Group had amounts due to a substantial shareholder of approximately HK\$2,396,000 (31 December 2024: HK\$Nil), amounts due to a director of subsidiaries of approximately HK\$12,387,000 (31 December 2024: HK\$6,443,000) and other borrowings of \$3,450,000 (31 December 2024: HK\$1,000,000). The Group's gearing ratio, calculated on the basis of the aggregate of the amounts due to a substantial shareholder, the amounts due to a director of subsidiaries and other borrowings over the equity attributable to owners of the Company, was approximately 23% (31 December 2024: 22%).

As at 31 December 2025, the Group had bank balances and cash of approximately HK\$25,493,000 (31 December 2024: HK\$24,547,000). With net current assets of approximately HK\$66,532,000 as at 31 December 2025 (31 December 2024: HK\$28,235,000), the Group had sufficient financial resources to satisfy its commitments and working capital requirements.

## **Net asset value**

The net asset value per Share as at 31 December 2025 was approximately HK\$0.16 (31 December 2024: HK\$0.11), calculated on the basis of the equity attributable to owners of the Company of approximately HK\$75,786,000 (31 December 2024: HK\$34,543,000) over the number of issued Shares on the same date of 490,385,410 (31 December 2024: 326,923,607).

## **Significant investments**

As at 31 December 2025, the Group held financial assets at fair value through profit or loss (“FVTPL”) amounted to approximately HK\$2,431,000 (31 December 2024: HK\$2,422,000), including equity securities listed in Hong Kong of approximately HK\$3,000 (31 December 2024: HK\$1,747,000), debt securities listed outside Hong Kong of approximately HK\$16,000 (31 December 2024: HK\$90,000), unlisted funds of approximately HK\$498,000 (31 December 2024: HK\$Nil) and unlisted equity-linked notes of approximately HK\$1,914,000 (31 December 2024: 585,000). Gain on disposal of financial assets at FVTPL amounted to approximately HK\$1,762,000 (2024: gain of HK\$106,000) and fair value loss on financial assets at FVTPL amounted to approximately HK\$1,677,000 (2024: gain of HK\$54,000) during year ended 31 December 2025.

## **Pledge of assets**

The Group did not have any pledged asset as at 31 December 2025 and 2024.

## **Employees and remuneration policies**

As at 31 December 2025, the Group employed approximately 670 (31 December 2024: 610) full time employees. The Group remunerates its employees primarily based on prevailing industry practice as well as individual merits. The Group regularly reviews its remuneration policy with reference to the latest laws and regulations, market conditions, and performance of employees and the Group.

## **Foreign currency exposure**

The Group’s purchases are mainly denominated in Renminbi (“RMB”) and Hong Kong Dollar (the “Hong Kong Dollar”) while the Group’s sales are mainly denominated in RMB and United States Dollar (the “US Dollar”). As all of its factories are located in the PRC, expenses incurred there are denominated in RMB. Since Hong Kong Dollar remains pegged to US Dollar, the Group does not foresee a substantial exposure in this area, and will closely monitor the trend of RMB to see if any action is required. As at 31 December 2025, the Group did not enter into any financial instrument for the hedging of exposure in foreign currencies.

## Prospect

The Group is principally engaged in the manufacture and sale of novelties, decorations and toy products.

The Company encountered a tough and challenging operating environment in 2025. Hard hit by the resurgence of trade protectionism and economic uncertainties, coupled with array of factors including challenging international trade environment with stricter regulations, rising costs for raw materials and labor, intensified competition from larger multinational brands as well as shift in consumer preference towards intelligent and digital products, the Group's core toy business was facing significant headwinds, with revenues declining by approximately 4% year-on-year for the year ended 31 December 2025 due to decline in sales of toy products. The slowed demand for the Group's traditional toys also presents need for the Group to make greater investment in product updates and design. The Directors believe that the current pressure on the Group's toy business segment will not immediately reverse in 2026.

While the Group continues to be committed to developing its existing business operations, it also intends to actively explore new business opportunities. The Group is aware of rapid emerging business opportunities arising from artificial intelligence ("AI") and AI large models ("AI Large Models") driven from clear and forceful policy support by the PRC government in the form of subsidies and incentives, rapid expansion of computing power infrastructure leading to continuous market scale growth, accelerating adoption of AI and by enterprise in AI and AI Large Models resulting in strong market demand, and diversity and scalability in board application scenarios with clear commercial prospects as traits of AI and AI Large Models.

In order to harness the business opportunities generated from AI Large Models, in June 2025, the Company established a wholly-owned subsidiary, Perfectech AI HK Limited ("Perfectech AI HK") to launch a technology service business centered on AI Large Models. This business will focus on foundational model construction and enterprise application exploration for capabilities such as database services, computing power services, multi-semantic understanding, multi-modal content generation, and intelligent interaction. The Company's large-scale model is featured by its highly advanced system that learns and processes vast amounts of data. Unlike traditional programs which are typically executed with fixed instructions, it improves its ability to understand and communicate through training. It can process natural language, recognize and create images, and support personalized content. By mastering this technology, the Company is able to provide AI digital advertising services, computing and cloud services, database and intelligent interaction services, and financial risk management services.

In reliance of such AI Large Models, the Group is expected to provide single or combination of the following services in developing its new business and revenue model:

- (a) ***For AI digital advertising services***, the Group expects to develop digital advertising solutions based on AI Large Models, including advertisement content generation and placement strategy formulation. Upon completion of the AI Large Model training, the Company will be able to apply the developed solutions, with the objective to increase advertisement conversion rate through precise keyword matching and dynamic optimization of strategies, to place advertisements on various online platforms (including social media, search engines, and in-app advertising) and pay the corresponding advertisement slot fees. The clients shall pay project-based advertising planning and placement fees, technical service fees, and agency commissions, in return.
- (b) ***For computing and cloud services***, the Group expects to lease high-performance graphics processing units (“GPU”) and cloud resources to enterprises which require computing power for their own large model training, inference, and data processing where clients pay GPU rental fees and/or project-based model training fees.
- (c) ***For database and intelligent interaction services***, based on the developed AI support, the Group expects to offer database optimization, AI-powered question-answering systems, customer service bots, and knowledge management systems, where clients pay system integration fees, application programming interface (API) usage fees, and monthly subscription fees.
- (d) ***For financial risk management services***, the Group expects to develop AI solutions for financial institutions for intelligent credit assessment, risk monitoring, and anti-fraud models through pattern recognition and multidimensional data analysis, where clients pay project-based fees or usage-based fees.

Led by our executive Directors Mr. Zhong Shihui and Mr. Li Haiyang, who have extensive experience in information technology, cloud, databases, enterprise information technology, software development and AI applications, the Group is currently building a team for model framework construction and conducting pilot deployments around several cooperative scenarios. The Group is also establishing a research and development (“R&D”) center in Guangzhou and an operations center in Hong Kong to leverage talent and connect with local and international markets, driving commercialization and sustainable growth of our AI-driven technology services business.

As at the date of this announcement, the Company is in discussions with several potential and existing clients and has already demonstrated market viability of its AI Large Models by securing approximately HK\$10,000,000 in business orders for providing AI digital advertising services and receiving about HK\$1,000,000 in prepayments, which is expected to be used as funding for project initiation covering costs like advertising platform fees, ad space purchases, and AI model training. After services are completed, the prepayment is expected to be used to settle actual costs in accordance with the terms of the relevant agreement.

In the meantime, the Board believes that the core capabilities developed in the AI Large Models can address the challenges in its existing toy business by supporting and pursuing future digitalization of its toy business in the following manner:

***(1) Enhancing production efficiency through automation and internally developed AI application***

The Company has independently designed and developed an internal AI manpower system that enables intelligent scheduling and performance management, effectively improving work efficiency and the accuracy of resource allocation. At the same time, the Company is also continuously improving its internal AI knowledge base to accumulate and share production and management expertise, further promoting the automation and intelligence of business processes.

The AI Large Models, when fully developed, is expected to further improve production efficiency of the Group's toy business through: (1) implementing AI-powered monitoring and predictive maintenance systems in our factories to minimize downtime and defects, therefore reducing manufacturing costs; (2) utilizing AI systems to speed up the processing of new customer orders; and (3) integrating data models into the enterprise resource planning system of the toy business to improve the accuracy of sales forecasting and inventory control, therefore maintaining inventory at reasonable levels and improving capital turnover efficiency. Particularly, the core capabilities of these AI Large Models can be adapted to enhance supply chain management for the Company's toy business through real-time monitoring of machinery operations, production scheduling and tracking delivery schedules;

***(2) Strengthening supply chain management to counter cost volatility***

The Company is optimizing raw material procurement and inventory management by establishing a digital supply chain management system, enabling real-time monitoring of key material prices and delivery schedules, thereby enhancing supply chain transparency and responsiveness. The Company has also established long-term cooperation mechanisms with key suppliers to lock in costs, ensure stable production capacity, and mitigate the impact of raw material price fluctuations on operations. Again, the AI Large Models, when fully developed, can connect our AI services with factory management systems of the toy business to refine staff scheduling and performance tracking, therefore boosting overall productivity; and

***(3) Upgrading the product engineering by exploring innovative, high-value-added product lines that integrate emerging technologies like AI-assisted engineering design***

The Company is actively exploring the integration of AI technology into product development, focusing on areas such as AI-assisted engineering design, personalized customization, and interactive intelligent products. The R&D team will collaborate with the engineering design team to build an engineering design database, leveraging AI tools to enhance engineering design efficiency.

The Board believes that the said AI Large Models technology, when developed and integrated with the existing toy business, will gradually improve operational efficiency and ensure the business's long-term competitiveness, despite the short-term difficulties, as the said AI Large Models aim to build a knowledge reserve through the accumulation of relevant technologies and capabilities, forming transferable technical expertise to support the future digitalization of the Company's toy business. The Company is also considering applying the AI Large Models to other aspects of its existing core business, which has extensive needs in areas such as marketing content generation, and consumer interaction. Internal testing of related applications is underway, with the potential to enhance the Company's operational efficiency and user experience in its existing core business.

Going forward, the Group will continuously increase investment in this technology service business under the "Strengthen Core Business + Future Layout" strategy, adopting diversified business development strategies, entering new markets and expanding its business to maintain competitiveness, while also leveraging capital market tools to provide resource guarantees for subsequent product development and market expansion. The Company's management is confident in the sustained growth of the AI business and anticipates that, with the maturation of the technology platform and the expansion of industry application scenarios, AI-related revenue will become a reliable source of income and a key engine for the Group's overall transformation and growth in the future.

## Rights Issue

In fulfilling its funding need for developing the AI Large Models and the new technology service business as mentioned above as well as for other reasons stated in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE” in the letter from the Board set out in the Company’s prospectus dated 14 November 2025 (the “Prospectus”), on 8 December 2025, the Company completed a rights issue on the basis of one (1) new ordinary share of the Company (“Rights Share”) for every two (2) existing shares at a price of HK\$0.295 per Rights Share (the “Subscription Price”) on a non-underwritten basis (the “Rights Issue”). The closing price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited as at 26 September 2025, being the date of the Company’s announcement setting out the terms of the Right Issue, was HK\$0.327 per share.

A total of 163,461,803 Rights Shares were offered under the Rights Issue to the qualifying shareholders of the Company. As at 4:00 p.m. on 28 November 2025, being the latest time for acceptance of and payment for the Rights Shares and application and payment for the excess rights shares (“Excess Rights Shares”), (i) a total of 17 valid acceptances of provisional allotments under the provisional allotment letter(s) (“PAL(s)”) had been received for a total of 97,303,647 Rights Shares, representing approximately 59.53% of the total number of 163,461,803 Rights Shares available for subscription under the Rights Issue; and (ii) a total of 7 valid applications for Excess Rights Shares had been received for a total of 77,644,519 Excess Rights Shares, representing approximately 47.50% of the total number of 163,461,803 Rights Shares available for subscription under the Rights Issue. Accordingly, the Rights Issue was oversubscribed by 11,486,363 Right Shares, representing approximately 7.03% of the total number of 163,461,803 Rights Shares available for subscription under the Rights Issue.

The Rights Issue became unconditional on 28 November 2025. Upon completion of the Rights Issue, 163,461,803 Rights Shares were allotted and issued to the qualifying shareholders of the Company, representing 50.0% of the total number of the then existing issued shares and 33.3% of the total number of the issued shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue. The aggregate nominal value of all the Rights Shares was HK\$16,346,180.3 and the net price was approximately HK\$0.286 per Right Share.

The gross proceeds from the Rights Issue are approximately HK\$48.22 million and the net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, are estimated to be approximately HK\$46.74 million, of which (i) approximately HK\$36.74 million (representing 78.61% of the net proceeds) will be applied towards investing in the development of the large model business to develop next-generation technology; and (ii) approximately HK\$10 million (representing 21.39% of the net proceeds) is expected to be applied towards supplementing the general working capital of the Group (including but not limited to payment of salaries, rental expenses, professional fees and/or other corporate expenses, procuring production materials and settling trade and other payables).

For details of the Rights Issue, please refer to the announcements of the Company dated 26 September 2025 and 5 December 2025 as well as the Prospectus.

Meanwhile, the high interest rate and tariff is expected to continue to cast uncertainty on and pose challenges to the Group's operating environment in 2026. The Group will continue to optimise its existing product mix to meet the demand of the customers, enhance production and operational efficiency, as well as implement stringent cost management in order to minimise the impact of these challenges.

With the joint efforts of all of its employees, the Group endeavors to maintain a good business relationship with its customers, business partners and shareholders to maximise its corporate value and deliver promising returns to its shareholders.

### **Future Plans for Material Investments**

The 2024 Chinese Government Work Report first proposed the launch of the "AI+" initiative, accelerating the deep integration of AI with the real economy and the transition of society and the economy into a new era of intelligence driven by AI.

"AI+" has stimulated demand for computing power across all industries, driving the rapid development of the computing power industry as pointed out in the "2025 China Artificial Intelligence Computing Power Development Assessment Report" (the "Assessment Report") jointly released by a market research institution named International Data Corporation (IDC) and Inspur, a Chinese provider of cloud computing and big data services. Based on the Assessment Report, it showed that currently 42% of Chinese enterprises have begun preliminary testing and key concept verification of large models, while 17% have already introduced AI into production and actual business operations. As AI-related academic research advances, computing power surges, and data accumulates, AI will play a critical role in enterprise decision-making, presenting immense market opportunities for enterprise AI applications.

Aligning with this trend, the Company established a wholly-owned subsidiary, Perfectech AI HK, in June 2025, to launch a technology service business centered on AI Large Models, focusing on constructing foundational models and exploring enterprise applications in database services, computing power services, multi-semantic understanding, multi-modal content generation, and intelligent interaction. The Company is currently forming a team to construct the model framework and conduct pilot deployments around several cooperative scenarios.

Concurrently, the Company is considering the application of large model technology to its existing core business with extensive needs in product design, marketing content generation, consumer interaction, and other areas. Internal testing for related applications are underway and are expected to improve the Company's operational efficiency and user experience in its existing core business.

The Group's management is committed to increasing its investment in this technology service business, adopting a diversified business development strategy, entering new markets, and expanding its business to maintain competitiveness under its "Strengthening the core business + Planning for the future" strategy, while leveraging capital market tools to provide resource guarantees for subsequent product development and market expansion.

In fulfilling the Group's investment need in developing this new technology service business, on 8 December 2025, the Company completed the Rights Issue on the basis of one (1) Rights Share for every two (2) existing shares at a price of HK\$0.295 per Rights Share on a non-underwritten basis. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, are estimated to be approximately HK\$46.74 million, of which approximately HK\$36.74 million will be applied towards investing in the development of the large model business to develop next-generation technology.

Save as disclosed above and in the Prospectus, as at 31 December 2025, the Group did not have any other future plans for material investments or capital assets for the year ending 31 December 2026.

## Equity fund-raising activities of the company in the past 12 months

The Company has conducted the following equity fund-raising activities in the past twelve months immediately prior to the date of this announcement:

<b>Date of relevant announcements, circular and/or prospectus</b>	<b>Events</b>	<b>Net proceeds (Approximately)</b>	<b>Intended use of Proceeds</b>
<i>26 September 2025, 14 November 2025 and 5 December 2025</i>	Rights Issue on the basis of one (1) Rights Share for every two (2) existing shares	HK\$46.74 million	<p>(i) approximately HK\$36.74 million will be applied towards investing in the development of the large model business to develop next-generation technology, specifically:</p> <p>(a) approximately HK\$11.78 million will be used to promote R&amp;D for technological advancement;</p> <p>(b) approximately HK\$16.46 million will be used for model training and cloud computing supplier fees;</p> <p>(c) approximately HK\$4.25 million will be used for establishing a market promotion team and for business promotion expenses; and</p> <p>(d) approximately HK\$4.25 million will be used for upgrading the Group's IT systems and business processes;</p> <p>(ii) approximately HK\$10 million will be applied towards supplementing the general working capital of the Group</p>

Save as disclosed above, the Company has not conducted any fund-raising activities in the past twelve months immediately prior to the date of this announcement.

## Use of proceeds

The total net proceeds raised from the Rights Issue (the “Net Proceeds”) were approximately HK\$46.74 million after deducting professional fees and all other relevant expenses in connection with the Rights Issue.

Set out below are details of the allocation of the Net Proceeds, the utilised and unutilised amount of the Net Proceeds as at 31 December 2025:

<b>Intended use of Net Proceeds</b>	<b>Approximate percentage of total amounts</b>	<b>Actual Net Proceeds <i>HK\$'000</i></b>
(i) investing in the development of the large model business to develop next-generation technology, specifically:		
(a) promote R&D for technological advancement	25.2%	11,780
(b) model training and cloud computing supplier fees	35.22%	16,460
(c) establishing a market promotion team and for business promotion expenses	9.09%	4,250
(d) upgrading the Group’s IT systems and business processes	9.09%	4,250
(ii) General working capital of the Group	<u>21.39%</u>	<u>10,000</u>
Total	<u>100%</u>	<u>46,740</u>

Given that completion of the Rights Issue only took place in early December 2025, as at 31 December 2025, only a minimal amount of the Net Proceeds from the Rights Issue has been applied for and utilised as the general working capital of the Group, with substantial portion of the Net Proceeds remained unutilised as at 31 December 2025. Nevertheless, the unutilised Net Proceeds will be utilised by the Group in such manner as intended within the expected timeline as previously disclosed in the Prospectus.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Board has adopted a code of conduct regarding Directors' securities transaction on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("Model Code").

Specific enquiries have been made with all Directors and they have confirmed that throughout the year ended 31 December 2025, they complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares). As at 31 December 2025, the Company did not hold any treasury shares.

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

The Company has adopted a corporate governance code, based on the principles and code provisions (the "Code Provisions") of the latest revised Corporate Governance Code (the "Code") as set out in Appendix C1 to the Listing Rules from time to time.

Throughout the year ended 31 December 2025, the Company has complied with the Code Provisions save for the following deviation:

**Code Provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual.**

After the resignation of Ms. Zhu Yuqi as a non-executive director, the chairman of the Board (the "Chairman") and the chairman of the nomination committee of the Company on 15 December 2020, the duties of the Chairman have been undertaken by all members of the Board and the company secretary of the Company (the "Company Secretary") collectively.

The Board believes that with the support of the management, vesting the role of the Chairman in the Board and the Company Secretary collectively can facilitate the execution of the Group's business strategies and enhance the effectiveness of its operation. Further, the Board considers that the current structure will enhance the balance of power and authority between the Board and the management of the Group as the Board, which comprises experienced and high calibre individuals who met regularly to discuss issues pertaining to the operations of the Company, assumes collective responsibility on the decision making process of the Company's business strategies and operation.

The Board is in the process of identifying suitable candidate with appropriate experience to act as the Chairman, before which the duties of the Chairman will continue to be undertaken by the Directors and the Company Secretary collectively.

After the resignation of Mr. Li Shaohua as the chief executive officer ("CEO") of the Company on 17 November 2022, the duties of the CEO have been undertaken by all executive Directors and the senior management of the Company collectively. The Board is currently in the process of identifying a suitable candidate with appropriate experience to act as the CEO.

#### **EVENTS AFTER THE REPORTING PERIOD**

Saved as disclosed in this announcement, the Directors are not aware of any significant event which had material effect on the Group subsequent to 31 December 2025 and up to the date of this announcement.

#### **AUDIT COMMITTEE**

The Company has established an audit committee of the Company ("Audit Committee") which comprises all independent non-executive Directors, namely Mr. Fung Chan Man, Alex, Ms. Chan Po Lam and Mr. Lau Shu Yan, who is also the chairman of the committee.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2025, including the accounting policies, principles and practices adopted by the Group.

## **SCOPE OF WORK OF CONFUCIUS INTERNATIONAL CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the auditor of the Group, Confucius International CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year.

The work performed by Confucius International CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, or the Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Confucius International CPA Limited on this preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the website of the Company at [www.perfectech.hk](http://www.perfectech.hk) and the website of The Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report will be despatched to the shareholders and will be available on the above websites in due course.

## **APPRECIATION**

Finally, I would like to take this opportunity to thank all my fellow Directors and the staff for their contribution and cordial support during the year under review.

On behalf of the Board  
**Zhong Shihui**  
*Executive Director*

Hong Kong, 31 March 2026

\* The English transliteration of Chinese name(s) or word(s) in this announcement, where indicated by “\*”, is included for reference only, and should not be regarded as the official English translation of such Chinese name(s) or word(s).

*As at the date of this announcement, the Board comprises Mr. Poon Wai Yip, Albert, Mr. Zhong Shihui and Mr. Li Haiyang as executive Directors and Mr. Fung Chan Man Alex, Mr. Lau Shu Yan and Ms. Chan Po Lam as independent non-executive Directors.*