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**PERFECTECH INTERNATIONAL HOLDINGS LIMITED**

**威發國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00765)**

**PROPOSED RIGHTS ISSUE OF RIGHTS SHARES  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY TWO (2) EXISTING SHARES AT HK\$0.295 PER RIGHTS  
SHARE ON A NON-UNDERWRITTEN BASIS**

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise not more than approximately HK\$48.22 million before expenses by way of the Rights Issue to the Shareholders (on the basis that no Shares are issued or repurchased on or before the Record Date). The Rights Issue is not underwritten and involves the issue of up to 163,461,803 Rights Shares (on the basis that no Shares are issued or repurchased on or before the Record Date) at the Subscription Price of HK\$0.295 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date.

Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There is no minimum subscription level or minimum amount to be raised under the Rights Issue. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the Nil-paid Rights under the PALs and the EAFs (i.e. the Unsubscribed Rights Shares) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

## **LISTING RULES IMPLICATIONS**

As the Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period, the Rights Issue will not increase the number of issued Shares (excluding treasury shares) or the market capitalisation of the Company by more than 50%. The Rights Issue is not subject to the approval of the Shareholders pursuant to Rule 7.19A(1) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 14 October 2025 to Monday, 20 October 2025 (both dates inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

## **GENERAL**

The Prospectus Documents containing, among other things, the Prospectus setting out details of the Rights Issue, the PAL and the EAF(s) will be despatched to the Qualifying Shareholders on Tuesday, 21 October 2025. A copy of the Prospectus will also be made available on the websites of the Company (<http://www.perfectech.hk/>) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but will not send the PAL and the EAF to them.

## **WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES AND NIL-PAID RIGHTS SHARES**

**The Rights Issue is subject to the fulfilment of conditions including, amongst other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**Shareholders and potential investors of the Company contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are advised to exercise caution and are recommended to consult their professional advisers.**

## **PROPOSED RIGHTS ISSUE**

The Board proposed the Rights Issue, details of which are summarised below:

### **Issue statistics**

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.295 per Rights Share
Number of the existing Shares in issue as at the date of this announcement:	326,923,607 Shares

Number of Rights Shares to be issued under the Rights Issue:	Up to 163,461,803 Rights Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Aggregate nominal value of the Rights Shares:	Up to HK\$16,346,180.3 (assuming no Shares are issued or repurchased on or before the Record Date)
Maximum enlarged issued share capital upon completion of the Rights Issue:	490,385,410 Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Maximum proceeds to be raised under the Rights Issue before expenses:	HK\$48.22 million (assuming no Shares are issued or repurchased on or before the Record Date)
Right of excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotments

As at the date of this announcement, the Company has no other outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

Assuming no Shares are issued or repurchased on or before the Record Date and that no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue, the maximum number of 163,461,803 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50.0% of the total number of the existing issued Shares as at the date of this announcement 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 Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of such rights issue, open offers and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

## **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renounees or transferees of the Nil-paid Rights under the PALs and the EAFs (i.e. the Unsubscribed Rights Shares) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, applications by the Qualifying Shareholder to take up all or part of his/her/its entitlement under the Provisional Allotment Letter or the EAF(s), or by transferees of Nil-paid Rights, will be made on the basis that the applications are to be scaled down by the Company to a level which (a) does not trigger a general offer obligation under the Takeovers Code on the part of the applicant or parties acting in concert with him/her/it, and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Qualifying Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Qualifying Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

## **Undertakings**

The Board has not received any information or irrevocable undertaking from any Shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this announcement.

## **Subscription Price**

The Subscription Price of HK\$0.295 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or when a transferee of Nil-paid Rights accepts the provisional allotment of the Rights Shares or, where applicable, upon an application of Excess Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 18.06% to the closing price of HK\$0.360 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 20.70% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.372;
- (iii) a discount of approximately 19.84% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.368;
- (iv) a discount of approximately 12.72% to the theoretical ex-rights price of approximately HK\$0.338 per Share based on the closing price of HK\$0.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a premium of approximately 152.14% to the consolidated net asset value as at 30 June 2025 as extracted from the interim report of the Company for the six months ended 30 June 2025 of approximately HK\$0.117 per Share; and
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of 6.99%, represented by the theoretical diluted price of approximately HK\$0.346 per Share to the benchmarked price of approximately HK\$0.372 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement).

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions, the financial position of the Group and the reasons and benefits of the Rights Issue as discussed in the section headed “Reasons for and Benefits of the Rights Issue” in this announcement.

In view of the above, and having considered that all the Qualifying Shareholders will be offered equal opportunity to subscribe for the Rights Shares by way of provisional allotment and Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment, the Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid with a record date falling after the date of allotment and issue of the Rights Shares in their fully-paid form.



## Qualifying Shareholders

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date and not being a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by not later than 4:30 p.m. on Monday, 13 October 2025. It is expected that the last day of dealings in the Shares on a cum-rights basis is Thursday, 9 October 2025 and the Shares will be dealt with on an ex-rights basis from Friday, 10 October 2025.

Beneficial owners whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Posting Date.

The basis of provisional allotment of Rights Shares will be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the Provisional Allotment Letter and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Latest Acceptance Date.

The Qualifying Shareholders who take up their provisional allotment in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

## Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the Provisional Allotment Letter and the EAF to them. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will make reasonable enquiries regarding the legal restrictions under the laws of the relevant overseas places and the requirements of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiries and based on legal opinion provided by the legal advisers to the Company, the

Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in the relevant place(s), no offer of the Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Non-Qualifying Shareholders and no provisional allotment of the Nil-paid Rights or allotment of the Rights Shares will be made to them. The results of the enquiries and the basis of exclusion of the Overseas Shareholders, if any, from the Rights Issue will be included in the Prospectus.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) would not have any entitlement under the Rights Issue. However, arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, to be sold as soon as practicable after dealings in the Nil-paid Rights commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders to their shareholdings held on the Record Date in Hong Kong Dollars. The Company will retain individual amounts of less than HK\$100 for its own benefit. Any such unsold Nil-paid Rights to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s).

**The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Non-Qualifying Shareholders should exercise caution when dealing in the Shares.**

#### **Fractional entitlements**

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

#### **Odd lot arrangement**

To facilitate the trading of odd lots of Shares which will arise upon the Rights Issue, the Company will procure an arrangement with an agent to stand in the market to provide matching services for the sale and purchase of odd lots of Shares on a best efforts basis. Further details in respect of the odd lot arrangement will be set out in the Prospectus. Holders of Shares in odd lots should note that the matching services mentioned above are



on a “best effort” basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its/their own professional advisers.

### **Application for Excess Rights Shares**

The Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the Excess Rights Shares will comprise: (i) any Nil-paid Rights provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise not subscribed for by transferees of Nil-paid Rights prior to the latest time for acceptance; (ii) any entitlements of the Non-Qualifying Shareholders provisionally allotted to a nominee of the Company which are left unsold; and (iii) the scale-down PAL Shares (if any) and the scale-down EAF Shares (if any).

Applications for Excess Rights Shares may be made by Qualifying Shareholders duly completing the EAFs and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the latest time for acceptance. The Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis on the following principles: (i) any Excess Rights Shares will be allocated to the Qualifying Shareholders who apply for them on a pro-rata basis by reference to the number of the Excess Rights Shares applied for under each application; (ii) no reference will be made to the Rights Shares subscribed through applications by the PALs or the existing number of Shares held by the Qualifying Shareholders; (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and (iv) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of Nil-paid Rights under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application. If the Board notes unusual patterns of excess applications and has reason to believe that any excess applications may have been made with the intention to abuse the mechanism, such application(s) for Excess Rights Shares may be rejected at the sole discretion of the Board.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the Excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisors if they are in any doubt as to their status.

Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge any transfers of Shares with the Registrar for registration by no later than 4:30 p.m. on Monday, 13 October 2025.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights are expected to be traded in same board lot size as the Shares, i.e., 2,000 shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

### **Stamp duty and other applicable fees**

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

### **Share certificates for the Rights Shares**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on Thursday, 13 November 2025 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risks.

Those entitled, except HKSCC Nominees Limited, and in the case of joint Qualifying Shareholders, the first-named Qualifying Shareholder, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto.

Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) or if the Rights Issue does not proceed are expected to be posted on Thursday, 13 November 2025 by ordinary post to the applicants' registered addresses, at their own risk.

### **Conditions of the Rights Issue**

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (1) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules;

- (2) the despatch of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares; and
- (4) all relevant consents and approvals being obtained from the regulatory authorities, including the Stock Exchange, as the case may require in connection with the Rights Issue by the relevant time that each consent and approval is required.

All of the conditions are incapable of being waived. If the conditions above are not satisfied on or before Wednesday, 5 November 2025 (or such later time or date as may be determined by the Company), the Rights Issue shall be terminated.

As at the date of this announcement, none of the conditions precedent has been fulfilled.

#### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## SHAREHOLDING STRUCTURE

Assuming there is no change in the number of Shares in issue from the date of this announcement and up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company immediately before and after the completion of the Rights Issue:

	At the date of this announcement		Immediately after completion of the Rights Issue assuming all Shareholders take up their respective entitlements to the Rights Shares in full		Immediately after completion of the Rights Issue assuming none of the Shareholders have taken up any of their entitlement to Rights Shares	
	<i>Number of Shares held</i>	<i>Approximate %</i>	<i>Number of Shares held</i>	<i>Approximate %</i>	<i>Number of Shares held</i>	<i>Approximate %</i>
Hongkong Zhong Lai Industrial Limited	81,730,000	25.00%	122,595,000	25.00%	81,730,000	25.00%
One Two Three Technology Limited	59,867,081	18.31%	89,800,621	18.31%	59,867,081	18.31%
Hou Han Ping	18,757,200	5.74%	28,135,800	5.74%	18,757,200	5.74%
Yan Guo Liang	18,528,000	5.67%	27,792,000	5.67%	18,528,000	5.67%
Other public Shareholders	148,041,326	45.28%	222,061,989	45.28%	148,041,326	45.28%
Total	326,923,607	100%	490,385,410	100%	326,923,607	100%

*Note:* Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement. As at the date of this announcement, the Company has no intention or plan to conduct other equity fund-raising activities in the next 12 months upon completion of the Rights Issue. However, if there shall arise any change of the Group's current circumstances and existing business plans and that the net proceeds from the Rights Issue may not satisfy such upcoming financing needs, the Board does not rule out the possibility that the Company may conduct further equity fund-raising exercises to support such future developments of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

## EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out in below.

Announcement of Rights Issue . . . . . Friday, 26 September 2025

Last day of dealings in the Shares on  
a cum-rights basis . . . . . Thursday, 9 October 2025

First day of dealings in the Shares on  
an ex-rights basis. . . . . Friday, 10 October 2025

Latest time for lodging transfer documents  
of the Shares in order to qualify for  
the Rights Issue. . . . . 4:30 p.m. on  
Monday, 13 October 2025

Register of members of the Company closes  
for determining entitlements under  
the Rights Issue (both days inclusive) . . . . . Tuesday, 14 October 2025 to  
Monday, 20 October 2025

Record date for determining entitlements  
under the Rights Issue . . . . . Monday, 20 October 2025

Register of members of the Company  
reopens. . . . . Tuesday, 21 October 2025

Despatch of Prospectus Documents  
(in the case of Non-Qualifying Shareholders,  
the Prospectus only). . . . . Tuesday, 21 October 2025

First day of dealing in Nil-paid Rights . . . . . Thursday, 23 October 2025

Latest time for splitting Provisional Allotment  
Letters . . . . . 4:30 p.m., on  
Monday, 27 October 2025

Last day of dealing in Nil-paid Rights . . . . . Friday, 31 October 2025

Latest time for acceptance and payment for  
the Rights shares and application for  
Excess Rights Shares . . . . . 4:00 p.m., on  
Wednesday, 5 November 2025

Announcement of the results of  
the Rights Issue to be posted on the  
Stock Exchange's website and the  
Company's website on or before . . . . . Wednesday, 12 November 2025

Despatch of Refund cheques (if any) . . . . . Thursday, 13 November 2025

Despatch of certificates for fully-paid Rights Shares. . . . Thursday, 13 November 2025

Commencement of dealings in fully-paid  
Rights Shares . . . . . 9:00 a.m. on  
Friday, 14 November 2025

Designated broker starts to stand in  
the market to provide matching services  
for odd lots of Shares . . . . . 9:00 a.m., on  
Friday, 14 November 2025

Designated broker ceases to stand in  
the market to provide matching services for  
odd lots of Shares . . . . . 4:00 p.m., on  
Thursday, 4 December 2025

*Note:* All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable for the Rights Issue as set out above, and in other parts of this announcement, are indicative only, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

## **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The latest time for acceptance of and payment for Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning and/or "extreme conditions" as announced by the Hong Kong Government:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and application and payment for Excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the latest time of acceptance of and payment for the Rights Shares and application and payment for Excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.



If the latest time for acceptance of and payment for the Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected timetable for the Rights Issue” may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

## **REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE**

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

As disclosed in the interim report of the Company for the six months ended 30 June 2025 (“6M2025”), affected by the resurgence of trade protectionism, the Group’s operating environment remained challenging in 6M2025. During 6M2025, the Group’s revenue only decreased by 10% year-on-year to approximately HK\$61.96 million (2024: approximately HK\$68.61 million) despite facing a tough operating environment. The decrease in revenue was mainly due to decline in sales of toy products. This decrease in revenue put pressure on the Group’s net cash flow used in operating activities, and the Group recorded an outflow of approximately HK\$5.23 million for 6M2025. Meanwhile, the Group’s cash and cash equivalents decreased from approximately HK\$24.55 million as at 1 January 2025 to approximately HK\$19.30 million as at 30 June 2025. The Group also recorded a loss attributable to owners of the Company of approximately HK\$4.28 million for 6M2025 (2024: loss of approximately HK\$17.81 million). The basic and diluted loss per Share were both at HK\$1.31 cents (2024: both loss of HK\$5.45 cents). In these circumstances, the Board considers that the Rights Issue would help improve the operational liquidity and solvency of the Group.

For 6M2025, the Group’s core business recorded a loss of approximately HK\$1.83 million (2024: loss of approximately HK\$15.8 million). The Directors believe that the current pressure on the Group’s toy business segment, affected by economic uncertainties, will not immediately reverse in 2026. Given the Group’s cash position, and noting that the Group’s trade payables as at 30 June 2025 was approximately HK\$7.72 million, the Board considers it commercially prudent to obtain partial external financing to supplement the Group’s general working capital (including settling trade and other payables). The Group’s core toy business is facing significant headwinds, with revenues declining by approximately 10% year-on-year in the first half of 2025. This downturn is attributed to several factors, including a challenging international trade environment with stricter regulations, rising costs for raw materials and labor, and intensified competition from larger multinational brands. Furthermore, a shift in consumer preference towards intelligent and digital products has slowed demand for the Group’s traditional toys, requiring greater investment in product updates and design.

To address these challenges, the Group is implementing a multi-faceted improvement strategy. Key initiatives include enhancing production efficiency through automation and internally developed AI applications, strengthening supply chain management to counter cost volatility, and upgrading the product structure by exploring innovative,

high-value-added product lines that integrate emerging technologies like AI-assisted design. The Board believes that these measures will gradually improve operational efficiency and ensure the business's long-term competitiveness, despite the short-term difficulties.

The Company continues to be committed to developing its existing business operations and also intends to explore business opportunities related to next-generation technology, namely Artificial Intelligence (“AI”) large models. The 2024 China Government Work Report first proposed the ‘AI Plus’ initiative, accelerating the deep integration of AI with the real economy and the entry of the economy and society into a new intelligent era driven by AI. As pointed out in the ‘2025 China AI Computing Power Development Assessment Report’, ‘AI Plus’ has stimulated demand for computing power across various industries, driving the vigorous development of the computing power industry. Market research firm IDC’s survey shows that currently 42% of Chinese enterprises have begun initial testing and key concept verification of large models, and 17% of enterprises have introduced AI into production and actual business operations. With the advancement of AI-related academic research, the surge in computing power, and the accumulation of data, AI will play a critical role in enterprise decision-making, bringing huge market opportunities for enterprise AI applications.

To adapt to this trend, the Company established a wholly-owned subsidiary, Perfectech AI HK Limited (“**Perfectech AI HK**”), in June 2025, 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 is currently building a team for model framework construction and conducting pilot deployments around several cooperative scenarios. Our executive Director Mr. Zhong Shihui, with extensive experience in the technology industry, will lead the Company in rapidly building a technical team and overcoming technical challenges to ultimately achieve application deployment. The Group is establishing a R&D center in Guangzhou and an operations center in Hong Kong to leverage talent and connect with local and international markets. Crucially, this new venture has already demonstrated market viability by securing approximately HK\$10,000,000 in business orders and receiving about HK\$1,000,000 in prepayments.

Concurrently, the Company is considering applying large model technology to its existing core business, which has extensive needs in areas such as product design, 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. The Group’s management is committed to continuously increasing 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. Looking forward, the Group plans to expand its teams and focus on developing specific commercial solutions, including computing power and cloud services, AI-driven advertising and customer service, and financial risk control applications. The Board is confident that these initiatives will enable the AI business to contribute revenue consistently starting from 2026, becoming a key engine for the Group's overall transformation and growth.

The estimated net proceeds of the Rights Issue (after deduction of expenses) if the Rights Issue is subscribed in full is expected to amount to approximately HK\$46.74 million (assuming no change in the number of Shares in issue on or before the Record Date).

Apart from the Rights Issue, the Directors have considered other debt or equity fundraising alternatives such as bank borrowings, placing or an open offer. The Directors note that bank borrowings, if available, carry additional interest costs and create pressure to the liquidity of the Company, and placing of new shares immediately dilutes the interests of existing Shareholders without giving them the opportunity to participate in the Company's enlarged capital base, and would be of a smaller scale compared to fundraising through a rights issue. As opposed to an open offer, which also invites Qualifying Shareholders to participate but does not allow free trading of Nil-paid Rights in the open market, the Rights Issue enables the Shareholders to sell the Nil-paid Rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity and flexibility to choose whether to maintain, increase or decrease their respective shareholding interests in the Company by subscribing for their respective Nil-paid Rights, applying for additional Rights Shares, acquiring additional Nil-paid Rights or selling their Nil-paid Rights in the open market (depending on the Rights Issue circumstances), and decide whether to continue to participate in the future development of the Group. Having considered the above alternatives, the Directors are of the view that the Rights Issue is in the best interests of the Company and the Shareholders as a whole and that the Rights Issue is an appropriate fundraising method to strengthen the capital base of the Company, which in turn will support the Company's continuing development and business growth, while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

## **USE OF PROCEEDS**

The estimated maximum net proceeds from the Rights Issue (after deducting the expenses of approximately HK\$1.48 million from the estimated gross proceeds of approximately HK\$48.22 million) are approximately HK\$46.74 million (assuming no change in the

number of Shares in issue on or before the Record Date). Assuming the Rights Issue is fully subscribed, the Company intends to apply the net proceeds from the Rights Issue as to:

- (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, specifically:
  - (a) approximately HK\$11.78 million, representing 25.20% of the net proceeds, is expected to be used by December 2026 to promote research and development (“R&D”) for technological advancement. The main focus will be on building an R&D team to construct foundational models and explore scenario applications for capabilities such as database services, computing power services, multi-semantic understanding, multi-modal content generation, and intelligent interaction. The Company is currently building a team for model framework construction and conducting pilot deployments around several cooperative scenarios. The net proceeds under this head will primarily be used to : (1) pay labor costs primarily for high-end R&D talent, as the AI large model business, unlike traditional IT, is a knowledge-intensive industry that is highly dependent on people, requiring the recruitment of PhDs or senior engineers with expertise in deep learning, natural language processing, and multi-modal learning. Due to limited local talent in Hong Kong, experts must be attracted from mainland China and overseas with a salary premium. R&D positions include algorithm engineers, data engineers, and application scenario architects, with annual salaries ranging from HK\$800,000 to HK\$1,500,000; (2) pay fees for external expert consultants and collaborations, which are also necessary to efficiently overcome key challenges, including hiring external research institutions and industry experts for model optimization and application scenario consulting. Some expenses will go towards technology transfer and joint research projects with partner universities or scientific research institutes; and (3) expand the AI team, which is expected to grow to 30 to 40 people by 2027, with senior technical staff comprising about 40% and the remainder in support roles such as data annotation, product management, application development, and marketing;
  - (b) approximately HK\$16.46 million, representing 35.22% of the net proceeds, is expected to be used by December 2026 for model training and cloud computing supplier fees which fall into three main categories: (1) GPU service leasing, as large model training requires high-performance GPUs like the NVIDIA A100/H100. The cloud rental cost for each GPU is about HK\$80,000 to HK\$120,000 per year. To support continuous R&D and pilot applications, computing resources equivalent to 50 to 80 GPUs are anticipated; (2) cloud services and infrastructure fees, which includes cloud storage for massive datasets (tens of terabytes), as well as network bandwidth for data retrieval and distributed model training. The Group will work with multiple cloud providers (e.g., AWS, Alibaba Cloud, Tencent Cloud) to reduce dependency on a single

supplier; and (3) inference and application scenario testing for real-world business scenarios (like multi-semantic customer service, content generation, and intelligent interaction), which requires inference computing power. This cost will increase with user numbers and the scale of daily business operations;

- (c) approximately HK\$4.25 million, representing 9.09% of the net proceeds, is expected to be used by December 2026 for establishing a market promotion team and for business promotion expenses;
  - (d) approximately HK\$4.25 million, representing 9.09% of the net proceeds, is expected to be used by December 2026 for upgrading the Group's I.T. systems and business processes to improve efficiency through digitalization and better integration with AI applications, which will further improve the cost structure of the toy business. The Group has already developed internal AI tools for its traditional toy business that are being tested in factories, covering production process optimization, personnel management, and design automation. These tools will help to: (1) improve demand forecasting accuracy using data models to reduce inventory; (2) speed up new product development and lower design costs; (3) enhance personnel management and production efficiency using big data models; and (4) automate procurement and supply chain management to reduce material waste and delays. The Board expects these measures to be implemented within the next 12 to 18 months, and to increase the per capita production efficiency and overall gross profit margin; 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 by December 2026, 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.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above. In such a scenario, the Company may consider adjusting the development timetable and/or scale to match available funds. Further details of the use of proceeds will be disclosed by the Company in the announcement of results of the Rights Issue.

The estimated expenses of the Rights Issue (including advisory fees for the professional parties, printing, registration, translation, legal, accounting and documentation charges) are estimated to be approximately HK\$1.48 million and will be payable by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$0.29.



## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 14 October 2025 to Monday, 20 October 2025 (both dates inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

## **LISTING RULES IMPLICATIONS**

As the Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period, the Rights Issue will not increase the number of issued Shares (excluding treasury shares) or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders pursuant to Rule 7.19A(1) of the Listing Rules.

The theoretical dilution price and the benchmarked price are approximately HK\$0.346 per Share and HK\$0.372 per Share, respectively. The theoretical dilution impact of the Rights Issue on its own is under 25% and is in compliance with Rule 7.27B of the Listing Rules.

## **WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES AND NIL-PAID RIGHTS SHARES**

**The Rights Issue is subject to the fulfilment of conditions including, amongst other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**Shareholders and potential investors of the Company contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are advised to exercise caution and are recommended to consult their professional advisers.**



## DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Board”	the board of Directors
“Business Day”	any day on which banks are generally open for business in Hong Kong (excluding Saturday and Sunday)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Perfectech International Holdings Limited (威發國際集團有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00765)
“Completion Date”	the date on which the Rights Shares (in fully-paid form) have been duly allotted and issued to the Qualifying Shareholders
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for the Rights Shares in excess of their provisional entitlements under the Rights Issue
“Excess Rights Shares”	any Nil-paid Rights provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of Nil-paid Rights prior to the latest time for acceptance, any entitlements of the Non-Qualifying Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall (for avoidance of any doubt) include the scale down PAL Shares (if any) and the scale-down EAF Shares (if any)
“Group”	the Company, and its subsidiaries

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company
“Last Trading Day”	25 September 2025, being the last trading day for the Shares immediately before the release of this announcement
“Latest Acceptance Date”	4:00 p.m. on Wednesday, 5 November 2025, being the last day for acceptance and payment of the Rights Issue and application for and payment for Excess Rights Shares, or such other date as the Company may determine
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Nil-paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“Posting Date”	Tuesday, 21 October 2025 or such other date as the Company may determine in writing for the despatch of the Prospectus Documents

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the Provisional Allotment Letter and the EAF
“Provisional Allotment Letter(s)” or “PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue in such form as the Company may approve
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Monday, 20 October 2025, being the date by reference to which entitlements of the Shareholders under the Rights Issue are expected to be determined
“Registrar”	the branch share registrar and transfer office of the Company, being Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed offer of the Rights Shares to the Qualifying Shareholders at the Subscription Price, on the basis of one (1) Rights Share for every two (2) existing Shares held by each Qualifying Shareholder on the Record Date
“Rights Shares”	the new Share(s) to be allotted and issued in respect of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.295 per Rights Share
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“United States” or “US”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia)
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders, or renouncee(s) or transferee(s) of Nil-paid Rights under the PAL(s) and the EAF(s)
“US person(s)”	any person(s) or entity(ies) deemed to be a US person for the purposes of Regulation S under the US Securities Act of 1933, as amended
“%”	per cent or percentage

For and on behalf of the Board  
**Perfectech International Holdings Limited**  
**Li Shaohua**  
*Executive Director*

Hong Kong, 26 September 2025

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

*\* for identification purpose only*