



Precious Dragon Technology  
Holdings Limited  
保寶龍科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 1861



INTERIM REPORT  
2020



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## Corporate Information

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Ko Sau Mee (Chairlady and Chief Executive)  
Ms. Lin Hing Lei  
Mr. Lin Hing Lung  
Mr. Yang Xiaoye

#### Independent Non-executive Directors

Mr. Lee Yiu Pui  
Mr. Poon Tak Ching  
Mr. Pang Cheung Wai, Thomas, SBS, JP

### COMMITTEES OF THE BOARD

#### Audit Committee

Mr. Poon Tak Ching (*Chairman*)  
Mr. Lee Yiu Pui  
Mr. Pang Cheung Wai, Thomas, SBS, JP

#### Remuneration Committee

Mr. Pang Cheung Wai, Thomas, SBS, JP (*Chairman*)  
Ms. Ko Sau Mee  
Mr. Lee Yiu Pui  
Mr. Poon Tak Ching

#### Nomination Committee

Mr. Lee Yiu Pui (*Chairman*)  
Ms. Ko Sau Mee  
Mr. Poon Tak Ching  
Mr. Pang Cheung Wai, Thomas, SBS, JP

### AUTHORIZED REPRESENTATIVES

Ms. Ko Sau Mee  
Mr. Lee Kam Fai

### COMPANY SECRETARY

Mr. Lee Kam Fai

### REGISTERED OFFICE

Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

### HEADQUARTER OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

No. 628 Jufeng North Road  
Aotou Town  
Conghua District  
Guangzhou City  
Guangdong Province  
People's Republic of China

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit G, 20/F., Golden Sun Centre  
Nos. 59/67 Bonham Strand West  
Sheung Wan  
Hong Kong

### AUDITOR

Ernst & Young  
22/F., CITIC Tower  
1 Tim Mei Avenue  
Central  
Hong Kong

## Corporate Information

### COMPLIANCE ADVISER

Rainbow Capital (HK) Limited  
Room 5B, 12/F., Tung Ning Building  
2 Hillier Street, Sheung Wan  
Hong Kong

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
(formerly known as Estera Trust (Cayman) Limited)  
Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited  
Bank of China Limited

### STOCK CODE

1861

### WEBSITE FOR THE COMPANY

[www.botny.com](http://www.botny.com)

## Business Review

Precious Dragon Technology Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is the leading manufacturer specializing in manufacturing of aerosol products used in the automotive beauty and maintenance products in the People’s Republic of China (“PRC”). We are principally engaged in the design, development, manufacture and sale of a wide range of automotive beauty and maintenance products including auto cleaning and maintenance products (such as auto interior decoration cleaning products and tyre and wheel cleaning and care products), paint and coating (such as chrome aerosol spray), winter and summer specials (such as refrigerant and cold cranking agent) and air-fresheners. The automotive beauty and maintenance products are in the form of aerosol and non-aerosol products. We also design, develop, manufacture and sell personal care products (such as foaming facial wash, sunscreen, moisturiser, deodoriser and hand wash) and other products including household products (such as paint and floor polish).

The Company sells the products on contract manufacturing service (“CMS”) and original brand manufacturing (“OBM”). The Company’s OBM business offers products under our own brand names of BOTNY (保賜利), ATM, ETOMAN (已度明), NISSEI, WIN (勝彩), FOX-D (狐狸), PISCIS (百麗時) and PARLUX (派樂士), which are sold mainly through (1) the networks of distributors, who further resell our OBM products to wholesalers, retailers and end-users in the PRC; and (2) the online stores of “保賜利旗艦店” at Tmall and “保賜利京東自營旗艦店” at JD.com.

During the period ended 30 June 2020, the Group continued to allocate more resources to further develop the OBM business. The Group enhanced the brand recognition activities, including sponsorship in exhibitions, public relation events, and multi-media platforms in order to promote the corporate image and brands to new potential and existing customers. We have launched the series of automotive beauty and maintenance products, 保寶龍, under our BOTNY (保賜利) brand for the repositioning of our corporate image and for broadening our clientele. We believe in the growth potential of our products under our new 保寶龍 series, as it takes time to establish a new line of products, we expect the other products under our BOTNY (保賜利) brand to remain our main revenue driver in the near future.

### OPERATING ENVIRONMENT AND PROSPECTS

As the global economy is shrouded in the shadow of the Sino-US trade war and outbreak of COVID-19 pandemic, there are huge uncertainties and changes in global economic development. The Group pays close attention to the development and changes of the industry and adjusts its strategies in a timely manner to cope with (i) the uncertainties brought by the Sino-US trade war, (ii) market demands of products, (iii) supply chain of production materials under the impact of coronavirus crisis, and (iv) changes in the external environment. At the same time, by continuously adjusting the diversify strategy and customer management and actively participating in various types of exhibitions in the People’s Republic of China (“PRC”) and around the world and launching new products to meet market demands, the Group will strengthen the promotion of its own brands, enhance the relationship with customers and expand into new markets, with a view to continually consolidating and strengthening the Group’s business development.

Despite of the economic slowdown of PRC caused by COVID-19 pandemic, the economic foundation of PRC market keeps stable in the long run. The Group development a series of new sanitizer products to meet the demands under the COVID-19 pandemic. Therefore, opportunities and challenges coexist. The Group is still prudent and optimistic towards its domestic market and Original Brand Manufacturing (“OBM”) business. The Group will continue to improve its OBM business by sponsorship and exhibitions, improving existing OBM products’ series, strictly controlling cost, lifting the brand image, and enhancing the competitiveness of products.

## Management Discussion and Analysis

### FINANCIAL REVIEW

#### Turnover

For the six months ended 30 June 2020, the Group's recorded a turnover of approximately HK\$344.1 million (six months ended 30 June 2019: approximately HK\$287.4 million), representing a significant increase of approximately 19.7% as compared to the corresponding period of 2019.

For the six months ended 30 June 2020, the Group generated revenue of approximately HK\$209.1 million (six months ended 30 June 2019: approximately HK\$220.5 million) from PRC customers, representing a slight decrease of approximately 5.2% as compared to the corresponding period of 2019. The decrease in PRC sales caused by short term locked-down in PRC due to the COVID-19 pandemic was partially offset by the increase in sales of newly developed sanitizer products.

For the six months ended 30 June 2020, the Group recorded revenue from overseas customers of approximately HK\$135.0 million (six months ended 30 June 2019: approximately HK\$66.9 million). The overseas sales significantly increased was mainly caused by the net effects of (i) an increase in export sales to a United States ("US") customer, which are conducted through a Hong Kong trading company as an export hub; (ii) continuously developing new customers globally which drive the increase in export sales, and (iii) increase in export sales due to the development of a series of new sanitizer products to meet the demands under COVID-19 pandemic.

#### Cost of Sales

For the six months ended 30 June 2020, cost of sales of the Group amounted to approximately HK\$220.0 million (six months ended 30 June 2019: HK\$204.8 million), which represented approximately 63.9% (six months ended 30 June 2019: approximately 71.3%) of the turnover in the period. There was a decrease of approximately 7.4% in percentage of cost of sales which was mainly attributable to the net effects of (i) decreasing in the cost of procurement of solvents, being major raw materials for the production, which was caused by the decrease in crude oil price; (ii) variation of sales of product mix; and (iii) enhancement of the production management to lower the manufacturing overhead.

#### Gross Profit and Gross Profit Margin

The Group recorded a gross profit amounted to approximately HK\$124.1 million for the six months ended 30 June 2020 (six months ended 30 June 2019: approximately HK\$82.6 million), representing a significant increase of approximately 50.2% as compared to the corresponding period of 2019. The increase in gross profit was mainly driven by sales of products with higher gross profit margins and decreasing in the cost of procurement of solvents, being major raw materials for the production. The gross profit margin increased from approximately 28.7% for the six months ended 30 June 2019 to approximately 36.1% for the corresponding period of 2020.

#### Other Income and Gains

Other income and gains mainly consist of sales of scrap materials, bank interest income, income from provision of research and development services, government grants, and net exchange differences. For the six months ended 30 June 2020, other income and gains of the Group was approximately HK\$6.9 million (six months ended 30 June 2019: approximately HK\$5.7 million), representing an increase of 21.1%, which was mainly due to the net effects of (i) the increase of sales of scrap materials of approximately HK\$1.2 million, (ii) increase of government grants of approximately HK\$0.5 million, and (iii) decrease of income from provision of research and development services of approximately HK\$0.6 million.

## Management Discussion and Analysis

### Selling and Distribution Expenses

Selling and distribution expenses mainly consist of transportation expenses and declaration charges for delivery of products to customers, salaries, performance bonuses and employee benefits expenses for the sales and marketing staff, business travel, entertainment expenses, advertisement and promotion costs. For the six months ended 30 June 2020, selling and distribution expenses were approximately HK\$26.3 million (six months ended 30 June 2019: approximately HK\$25.2 million), representing an increase of approximately 4.4% as compared to the corresponding period of 2019. The increase was primarily due to the net effects of (i) the increase in transportation expenses, (ii) the decrease in entertainment expenses for customers meetings, and (iii) the decrease in exhibition expenses.

### Administrative Expenses

Administrative expenses mainly represent staff salaries, share option expenses, listing expenses, welfare and bonus for our administrative staff and directors' remuneration, professional fees, other taxes and surcharges, and depreciation expenses. For the six months ended 30 June 2020, administrative expenses were approximately HK\$27.6 million (six months ended 30 June 2019: approximately HK\$22.9 million), representing an increase of approximately 20.5% as compared to the corresponding period of 2019. The increase in administrative expenses was primarily due to (i) increase in staff salaries and welfare to approximately HK\$6.1 million (six months ended 30 June 2019: HK\$3.8 million), (ii) increase in maintenance costs to approximately HK\$3.2 million (six months ended 30 June 2019: HK\$0.7 million), (iii) increase in depreciation expenses to approximately HK\$4.0 million (six months ended 30 June 2019: HK\$2.3 million), (iv) increase in share option expenses to approximately HK\$1.2 million (six months ended 30 June 2019: HK\$65,000), and (v) decrease in professional fees, consulting fee and related costs incurred for listing to approximately HK\$4.6 million (six months ended 30 June 2019: HK\$7.9 million).

### Finance Costs

For the six months ended 30 June 2020, the finance costs of the Group were approximately HK\$0.9 million (six months ended 30 June 2019: approximately HK\$1.7 million), representing a decrease of approximately 47.1% as compared to the corresponding period of 2019. The decrease in finance cost was mainly due to decrease in average bank loan outstanding balance compared to corresponding period of 2019 and increase in Hong Kong Interbank Offered Rate ("HIBOR").

### Net Profit

The Group's net profit amounted to approximately HK\$39.7 million for the six months ended 30 June 2020 (six months ended 30 June 2019: approximately HK\$18.2 million), representing a significant increase of approximately 118.1% as compared to the corresponding period in 2019. Significant increase in net profit was mainly attributable to, among other things, (i) the Group's continuous efforts in enhancing operational management and improving control over operating costs in order to reduce the negative impact of the COVID-19 pandemic to the Group's operations; (ii) the development of a series of new sanitizer products by the Group to meet the demands under the COVID-19 pandemic; and (iii) the decrease in professional fees incurred for listing.

### TREASURY POLICY

The Group adopts treasury policy that aims to better control its treasury operations and lower borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

## Management Discussion and Analysis

### LIQUIDITY AND CAPITAL RESOURCES

#### Net Current Assets

As at 30 June 2020, the Group had net current assets of approximately HK\$111.4 million (31 December 2019: approximately HK\$108.0 million). The Group's cash and cash equivalents (including pledged bank deposits) amounted to HK\$104.6 million as at 30 June 2020 (31 December 2019: HK\$138.4 million) which are mainly denominated in Renminbi, United States dollars, Japanese yen and Hong Kong dollars. The current ratio of the Group was approximately 1.7 as at 30 June 2020 (31 December 2019: approximately 1.9).

#### Borrowings and the Pledge of Assets

The bank borrowings of the Group, which were secured by our properties, plant and equipment and land use rights amounted to approximately HK\$35.9 million as at 30 June 2020 with maturity in 2021 (31 December 2019: approximately HK\$40.0 million). All borrowings are charged with reference to bank's preferential floating rates and HIBOR.

As at 30 June 2020, we had available unutilized banking facilities of approximately HK\$95.6 million (31 December 2019: HK\$63.0 million).

#### Gearing Ratio

As a result of the decrease in cash and cash equivalents and the decrease in total borrowings of the Group, the gearing ratio which is calculated by dividing total debt by equity attributable to owners of the Company, amounted to approximately 8.5% as at 30 June 2020 (31 December 2019: approximately -7.9%).

### CAPITAL STRUCTURE

As at 30 June 2020, the total number of issued shares of the Company (the "Shares") was 233,544,750 (31 December 2019: 233,544,750).

### FOREIGN EXCHANGE EXPOSURE AND EXCHANGE RATE RISK

Approximately 39.2% of the Group's revenue for the six months ended 30 June 2020 were denominated in US\$. However, over 90.0% of the production costs were settled in RMB. Therefore, there is a currency mismatch between US\$ revenue and RMB production costs, which gives rise to exposure to foreign exchange risk. Furthermore, there is a time lag between invoicing and final settlement from customers of export sales. The Group is exposed to foreign exchange risks if the foreign exchange rate at which the US\$ sales proceeds received from export sales is different from the rate at which the Group used to book the US\$ sales transactions at the time of sales.

During the six months ended 30 June 2020, we did not enter into any foreign currency forward contracts nor have any outstanding foreign currency forward contracts.



## Management Discussion and Analysis

### EMPLOYEES AND EMOLUMENTS POLICY

As at 30 June 2020, the Group had a workforce of 513 employees (31 December 2019: 481 employees). The staff costs, including directors' emoluments but excluding any contributions to the pension scheme, were approximately HK\$21.7 million for the six months ended 30 June 2020 (six months ended 30 June 2019: approximately HK\$17.7million). Remuneration is determined with reference to market terms and the performance, qualification and experience of an individual employee. In addition to a basic salary, year-end bonuses are offered to those staff with outstanding performance and share options are granted to attract and retain eligible employees of the Group. The emoluments of the directors of the Company (the "Directors") have been determined with reference to the skills, knowledge, and contribution in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the six months ended 30 June 2020.

### SIGNIFICANT INVESTMENTS

On 23 December 2019, Botny Corporation Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Sunseeker International Limited for the sale and purchase of a Sunseeker 86 Yacht numbered 8722086 (the "Yacht") at a total consideration of £3,650,000 (equivalent to approximately HK\$38,000,000) (the "Purchase of the Yacht"). The consideration for the Purchase of the Yacht shall be financed by the Company's internal resources, bank borrowings and a shareholder loan which is interest-free, unsecured and repayable on demand.

As part of the Group's marketing and promotional activities with a view to exploring new business opportunities and managing existing customer and supplier relationships, the Group has been organising marketing events and social activities such as dinners and overseas trips with its customers and suppliers to maintain and foster business relationships from time to time. Such marketing events and social activities have been effective in facilitating the communication between the Group and its business partners, allowing the Group to understand more about their needs through obtaining their feedback on the Group's products.

The Group plans to use the Yacht as venue for regular business meetings and marketing and social events with its original brand manufacturing (OBM) and contract manufacturing service (CMS) customers as well as its suppliers. The Board considers that the regular holding of such business meetings and marketing and social events allows the Group to enhance business relationships with its business partners and to understand the latest market trends which are useful references for setting the Group's sales and marketing strategies through close interaction in a comfortable and relaxing environment. With an increase in the Group's resources in marketing and relationship development, the business of the Group will be enhanced.

The fair value of the Yacht as at 30 June 2020 is £3,650,000 (equivalent to approximately HK\$38,000,000), representing approximately 8.0% of the total assets of the Company. There is no any realised and unrealised gain or loss during the six months ended 30 June 2020.

Details of the Purchase of the Yacht are set out in the announcement of the Company dated 23 December 2019.

Save as disclosed above, as at 30 June 2020, the Group did not have any significant investments (31 December 2019: nil).

## Management Discussion and Analysis

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

On 10 June 2020, Precious Dragon Technology Thai Limited ("Precious Dragon Thai"), a wholly-owned subsidiary of the Company, as the buyer, and Pinthong Industrial Park Public Company Limited ("Pinthong"), as the seller, entered into a sale and purchase agreement, pursuant to which Precious Dragon Thai conditionally agreed to acquire the land situated in Pinthong Industrial Estate Project 3 developed by Pinthong at 219 Moo 6, Bowin Sub-district, Sriracha District, Chonburi Province 20230, Plot No. G016, under Title Deed No. 170459, Land Range No. 5235 III 2248,2448, Land No. 5101, Survey Page no. 22333, covering a total area of 36,983.20 square meters (the "Land") (the "Acquisition of the Land") from Pinthong at a consideration of Baht 100,548,075.00 (equivalent to approximately HK\$24,800,000), subject to adjustment. The consideration for the Acquisition of the Land shall be funded by the Company's internal resources.

Through the Acquisition of the Land, the Group plans to set up a new production plant for the production of its products in Thailand. The Directors consider that the Acquisition will be beneficial to the Group for the following reasons:

- (i) the Acquisition represents a strategic move for the Group to diversify its production base overseas and strengthen its overseas sales, particularly in the South Asia countries. Most importantly, the Group will have an overseas production base to cope with the changes and impacts that may result from the Sino-US trade war and other international trade barriers;
- (ii) the Group is expected to benefit from the lower cost of raw materials from the surrounding area, thereby enhancing the competitiveness of the Group's products in Asia; and
- (iii) increasingly stringent health, safety and environmental policies, laws and regulations in the PRC may impose additional costs to the production of the Group. Moreover, any violation of applicable health, safety and environmental policies, laws and regulations in the PRC may result in orders of corrections, fines, shutdown of production and obligation to take corrective measures which could materially and adversely affect the Group's business, financial position and results of operations. Having an overseas manufacturing plant can minimise and diversify the aforesaid risk.

The fair value of the Land as at 30 June 2020 is Baht 100,548,075.00 (equivalent to approximately HK\$24,800,000), representing approximately 5.2% of the total assets of the Company. There is no any realised and unrealised gain or loss during the six months ended 30 June 2020.

The Acquisition of the Land was Completed on 22 July 2020.

Details of the Acquisition of the Land are set out in the announcements of the Company dated 10 June 2020 and 15 June 2020.

Save as disclosed above, during the six months ended 30 June 2020, the Group had no acquisition or disposal of subsidiaries, associates or joint ventures.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Company's prospectus dated 3 June 2019, the Group did not have other approved plans for material investments or capital assets as at 30 June 2020.

## Management Discussion and Analysis

### CONTRACTUAL OBLIGATIONS

As at 30 June 2020, the Group's capital commitments approximately amounted to HK\$18.6 million (31 December 2019: HK\$0.2 million).

### CONTINGENT LIABILITIES

As at 30 June 2020, the Group had no significant contingent liabilities (31 December 2019: nil).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2020 neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

### EVENTS AFTER REPORTING PERIOD

The Acquisition of the Land was completed on 22 July 2020. Please refer to the paragraph headed "Material acquisitions and disposals of subsidiaries, associates and joint ventures" for details.

Save as disclosed above, there were no significant events after 30 June 2020 and up to the date of this report.

# Report on Review of Interim Condensed Consolidated Financial Statements

## Independent review report

### To the board of directors of Precious Dragon Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 12 to 35, which comprises the condensed consolidated statement of financial position of Precious Dragon Technology Holdings Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2020 and the related condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

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

## CONCLUSION

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

### **Ernst & Young**

Certified Public Accountants

Hong Kong

17 August 2020

## Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2020

	Notes	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
REVENUE	4	<b>344,091</b>	287,409
Cost of sales		<b>(219,977)</b>	(204,785)
Gross profit		<b>124,114</b>	82,624
Other income and gains		<b>6,893</b>	5,713
Selling and distribution expenses		<b>(26,302)</b>	(25,157)
Administrative expenses		<b>(27,587)</b>	(22,896)
Research and development expenses		<b>(8,724)</b>	(8,723)
Impairment losses on financial assets, net		<b>(2,916)</b>	(1,659)
Other expenses		<b>(3,921)</b>	(1,634)
Finance costs		<b>(880)</b>	(1,672)
PROFIT BEFORE TAX	5	<b>60,677</b>	26,596
Income tax expense	6	<b>(20,958)</b>	(8,359)
PROFIT FOR THE PERIOD		<b>39,719</b>	18,237
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<b>(4,546)</b>	962
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<b>35,173</b>	19,199
Profit attributable to:			
Owners of the parent		<b>29,918</b>	17,633
Non-controlling interests		<b>9,801</b>	604
		<b>39,719</b>	18,237
Total comprehensive income attributable to:			
Owners of the parent		<b>25,595</b>	18,612
Non-controlling interests		<b>9,578</b>	587
		<b>35,173</b>	19,199
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8		
– For profit for the period		<b>HK 12.8 cents</b>	HK 7.5 cents
Diluted			
– For profit for the period		<b>HK 12.8 cents</b>	HK 7.5 cents

# Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	30 June 2020 HK\$'000 (Unaudited)	31 December 2019 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	123,611	96,199
Right-of-use assets		60,630	55,942
Deferred tax assets		3,001	2,160
Non-current prepayments		18,081	44,010
<b>Total non-current assets</b>		<b>205,323</b>	198,311
<b>CURRENT ASSETS</b>			
Inventories		58,498	49,157
Trade and bills receivables	10	90,529	30,294
Prepayments, deposits and other receivables		13,654	5,936
Pledged bank deposits		3,625	3,424
Cash and cash equivalents		100,940	134,953
<b>Total current assets</b>		<b>267,246</b>	223,764
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	51,464	42,329
Other payables and accruals		55,879	55,360
Interest-bearing bank and other borrowings	12	38,491	15,152
Tax payable		9,750	2,722
Deferred income		219	224
<b>Total current liabilities</b>		<b>155,803</b>	115,787
<b>NET CURRENT ASSETS</b>		<b>111,443</b>	107,977
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>316,766</b>	306,288
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	12	4,173	25,082
Deferred tax liabilities		2,588	1,769
Deferred income		1,645	1,790
<b>Total non-current liabilities</b>		<b>8,406</b>	28,641
<b>NET ASSETS</b>		<b>308,360</b>	277,647

## Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	30 June 2020 HK\$'000 (Unaudited)	31 December 2019 HK\$'000 (Audited)
EQUITY			
<b>Equity attributable to owners of the Parent</b>			
Share capital		2,335	2,335
Reserves		295,119	273,139
<hr/>			
		297,454	275,474
Non-controlling interests		10,906	2,173
<hr/>			
Total equity		308,360	277,647

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Attributable to owners of the parent									Total equity HK\$'000
	Share capital HK\$'000	Share premium account HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000 (note 15)	Reserve funds HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 31 December 2019 (audited)	2,335	37,330	(62,722)	2,306	47,905	(17,492)	265,812	275,474	2,173	277,647
Profit for the period	—	—	—	—	—	—	29,918	29,918	9,801	39,719
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	(4,323)	—	(4,323)	(223)	(4,546)
Total comprehensive income for the period	—	—	—	—	—	(4,323)	29,918	25,595	9,578	35,173
Equity-settled share option arrangements	—	—	—	2,107	—	—	—	2,107	—	2,107
Transfer from retained profits	—	—	—	—	2,303	—	(2,303)	—	—	—
Dividend paid	—	—	—	—	—	—	(5,722)	(5,722)	(845)	(6,567)
At 30 June 2020 (unaudited)	2,335	37,330	(62,722)	4,413	50,208	(21,815)	287,705	297,454	10,906	308,360



## Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Attributable to owners of the parent									Total equity HK\$'000
	Share capital HK\$'000	Share premium account HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000 (note 15)	Reserve funds HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 31 December 2018 (audited)	—	16,221	(62,722)	—	46,949	(14,080)	234,435	220,803	7,633	228,436
Profit for the period	—	—	—	—	—	—	17,633	17,633	604	18,237
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	979	—	979	(17)	962
Total comprehensive income for the period	—	—	—	—	—	979	17,633	18,612	587	19,199
Issue of Shares	2,345	21,109	—	—	—	—	—	23,454	—	23,454
Transfer from retained profits	—	—	—	—	141	—	(141)	—	—	—
Equity-settled share option arrangements	—	—	—	113	—	—	—	113	—	113
At 30 June 2019 (unaudited)	2,345	37,330	(62,722)	113	47,090	(13,101)	251,927	262,982	8,220	271,202

## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	Notes	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax:		<b>60,677</b>	26,596
Adjustments for:			
Finance cost		<b>880</b>	1,672
Interest income		<b>(457)</b>	—
Loss on disposal of properties, plant and equipment	5	<b>116</b>	43
Equity-settled share option expense	5	<b>2,107</b>	113
Depreciation of items of property, plant and equipment	5	<b>8,468</b>	8,738
Depreciation of right-of use assets/recognition of prepaid land lease prepayments	5	<b>1,815</b>	727
Impairment of inventories, net	5	<b>787</b>	200
Impairment of trade receivables	5	<b>2,916</b>	1,659
		<b>77,309</b>	39,748
Increase in inventories		<b>(10,130)</b>	(43)
Increase in trade and bills receivables		<b>(63,151)</b>	(7,514)
Increase in prepayments, deposits and other receivables		<b>(7,719)</b>	(2,801)
Increase/(decrease) in trade and bills payables		<b>9,135</b>	(14,270)
Increase in deposits received, other payables and accruals		<b>14,619</b>	1,625
Decrease in deferred income		<b>(110)</b>	(115)
Cash generated from operations		<b>19,953</b>	16,630
Interest element on lease liabilities		<b>(130)</b>	—
Withholding tax paid		<b>(4,664)</b>	(2,773)
Tax paid		<b>(9,031)</b>	(4,891)
Net cash flows from operating activities		<b>6,128</b>	8,966

## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	Notes	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		<b>(11,898)</b>	(4,735)
Proceeds from disposal of items of property, plant and equipment		<b>150</b>	16
(Increase)/decrease in pledged bank deposits		<b>(201)</b>	600
Interest received from bank		<b>457</b>	—
Acquisition of a subsidiary		<b>(1,257)</b>	—
<b>Net cash flows used in investing activities</b>		<b>(12,749)</b>	(4,119)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		—	23,454
New bank loans		<b>20,901</b>	15,000
Repayment of bank loans		<b>(25,000)</b>	(45,000)
Dividend paid		<b>(5,722)</b>	—
Dividends paid to a minority shareholder		<b>(803)</b>	—
Principal portion of lease payments		<b>(1,033)</b>	—
Interest paid		<b>(750)</b>	(1,672)
Proceeds from a subsidiary		<b>1,257</b>	—
Decrease in amounts due from related parties		—	928
Decrease in amounts due to related parties		<b>(14,100)</b>	(330)
<b>Net cash flows used in financing activities</b>		<b>(25,250)</b>	(7,620)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Net foreign exchange difference		<b>(2,142)</b>	942
Cash and cash equivalents at beginning of period		<b>134,953</b>	142,492
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>100,940</b>	140,661

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

## 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2020 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") effective as of 1 January 2020 for the first time for the current period's financial information.

Amendments to IFRS 3

*Definition of a Business*

Amendments to IAS 1 and IAS 8

*Definition of Material*

The nature and impact of the new and revised IFRSs are described below:

- (a) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the Group's interim condensed consolidated financial information.

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2020	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue:</b>			
Sales to customers	200,563	143,528	344,091
Intersegment sales	151	1,212	1,363
<b>Total</b>	<b>200,714</b>	<b>144,740</b>	<b>345,454</b>
<i>Reconciliation:</i>			
Elimination of intersegment sales			(1,363)
<b>Revenue</b>			<b>344,091</b>
<b>Segment results</b>	<b>19,669</b>	<b>44,291</b>	<b>63,960</b>
<i>Reconciliation:</i>			
Interest income			457
Corporate and other unallocated expenses			(3,233)
Finance costs (other than interest on lease liabilities)			(507)
<b>Profit before tax</b>			<b>60,677</b>

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 3. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2019	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue:</b>			
Sales to customers	250,735	36,674	287,409
Intersegment sales	—	—	—
Total	250,735	36,674	287,409
<i>Reconciliation:</i>			
Elimination of intersegment sales			—
Revenue			287,409
Segment results	27,965	2,554	30,519
<i>Reconciliation:</i>			
Interest income			252
Corporate and other unallocated expenses			(2,503)
Finance costs			(1,672)
Profit before tax			26,596

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 3. OPERATING SEGMENT INFORMATION *(Continued)*

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2020 and 31 December 2019, respectively.

Period ended 30 June 2020	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment assets</b>	358,484	134,583	493,067
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(84,285)
Corporate and other unallocated assets			63,787
<b>Total assets</b>			<b>472,569</b>
<b>Segment liabilities</b>	120,770	113,979	234,749
<i>Reconciliation:</i>			
Elimination of intersegment payables			(84,286)
Corporate and other unallocated liabilities			13,746
<b>Total liabilities</b>			<b>164,209</b>
<hr/>			
Year ended 31 December 2019	Automotive beauty and maintenance products HK\$'000 (Audited)	Personal care products HK\$'000 (Audited)	Total HK\$'000 (Audited)
<b>Segment assets</b>	412,662	49,721	462,383
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(85,122)
Corporate and other unallocated assets			44,814
<b>Total assets</b>			<b>422,075</b>
<b>Segment liabilities</b>	132,508	90,662	223,170
<i>Reconciliation:</i>			
Elimination of intersegment payables			(85,122)
Corporate and other unallocated liabilities			6,380
<b>Total liabilities</b>			<b>144,428</b>

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue from contracts with customers	344,091	287,409

Disaggregated revenue information for revenue from contracts with customers

**For the six months ended 30 June 2020**

Segments	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Type of goods</b>			
Sale of industrial products	200,563	143,528	344,091
<b>Geographical markets</b>			
Mainland China	139,530	69,616	209,146
Japan	52,118	1,655	53,773
Asia	2,899	61,701	64,600
Middle East	2,686	—	2,686
America	1,845	9,773	11,618
Others	1,485	783	2,268
Total revenue from contracts with customers	200,563	143,528	344,091
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	200,563	143,528	344,091



## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 4. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers (Continued)

For the six months ended 30 June 2019

Segments	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Type of goods</b>			
Sale of industrial products	250,735	36,674	287,409
<b>Geographical markets</b>			
Mainland China	183,789	36,674	220,463
Japan	45,564	—	45,564
Asia	7,051	—	7,051
Middle East	3,146	—	3,146
America	9,584	—	9,584
Others	1,601	—	1,601
Total revenue from contracts with customers	250,735	36,674	287,409
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	250,735	36,674	287,409

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 4. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers (Continued)

Set out below is the reconciliation of the revenue from contracts to customers to the amounts disclosed in the segment information:

#### For the six months ended 30 June 2020

Segments	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>			
External customers	200,563	143,528	344,091
Intersegment sales	151	1,212	1,363
Intersegment adjustments and eliminations	(151)	(1,212)	(1,363)
Total revenue from contracts with customers	<b>200,563</b>	<b>143,528</b>	<b>344,091</b>

#### For the six months ended 30 June 2019

Segments	Automotive beauty and maintenance products HK\$'000 (Unaudited)	Personal care products HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>			
External customers	250,735	36,674	287,409
Intersegment sales	—	—	—
Intersegment adjustments and eliminations	—	—	—
Total revenue from contracts with customers	<b>250,735</b>	<b>36,674</b>	<b>287,409</b>

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Cost of inventories sold	219,977	204,785
Depreciation of property, plant and equipment	8,468	8,738
Depreciation of right-of-use assets (2019: amortisation of prepaid land lease payments)	1,815	727
Research and development costs	8,724	8,723
Minimum lease payments under operating leases	—	266
Lease payments not included in the measurement of lease liabilities	260	—
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	21,730	17,678
Equity-settled share option expenses	2,107	113
Pension scheme contributions	2,420	2,495
	<b>26,257</b>	20,286
Exchange losses, net	1,757	508
Net loss on disposal of items of property, plant and equipment	116	43
Impairment of trade receivables	2,916	1,659
Write down of inventories to net realisable value	787	827

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Current – Mainland China	16,048	6,256
Current – Hong Kong	4,976	2,814
Deferred	(66)	(711)
	<b>20,958</b>	8,359

### 7. DIVIDENDS

	For the six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Final declared and paid - HK2.45 cents (2019: nil) per ordinary share	5,722	—
Proposed interim – HK2.00 cents (2019: HK1.40 cents) per ordinary share	4,671	3,284

### 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount is based on the consolidated profit for the six months ended 30 June 2020 attributable to the ordinary equity holders of the parent of HK\$29,918,000 (2019: HK\$17,633,000), and on the weighted average number of ordinary shares of 233,544,750 (2019: 234,544,750) shares in issue during the period.

No adjustment has been made to the basic earning per share amounts presented for the six months ended 30 June 2020 and 2019 in respect of a dilution as the impact of the share option outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired assets with a cost of HK\$37,827,000 (30 June 2019: HK\$1,249,000).

Assets with a net book value of HK\$266,000 were disposed by the Group during the six months ended 30 June 2020 (30 June 2019: HK\$59,000), resulting net losses on disposal of HK\$116,000 (30 June 2019: HK\$43,000).

During the six months ended 30 June 2020, no impairment loss was recognized (30 June 2019: nil) by the Group.

### 10. TRADE AND BILLS RECEIVABLES

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

	<b>30 June 2020 HK\$'000 (Unaudited)</b>	31 December 2019 HK\$'000 (Audited)
Within 30 days	<b>31,298</b>	18,904
31 to 60 days	<b>47,272</b>	5,514
61 to 90 days	<b>6,285</b>	1,153
Over 90 days	<b>5,674</b>	4,723
	<b>90,529</b>	30,294

### 11. TRADE AND BILLS PAYABLES

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

	<b>30 June 2020 HK\$'000 (Unaudited)</b>	31 December 2019 HK\$'000 (Audited)
Within 30 days	<b>34,369</b>	30,660
31 to 60 days	<b>8,938</b>	6,090
61 to 90 days	<b>7,160</b>	4,983
Over 90 days	<b>997</b>	596
	<b>51,464</b>	42,329

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Contractual interest rate	Maturity	HK\$'000	Contractual interest rate	Maturity	HK\$'000
<b>Current</b>						
Lease liabilities	1%~5.125%	2021	2,590	1%~5.125%	2020	152
Interest-bearing bank loans – secured	2.5%	2021	20,901	Hibor+2.25%	2020	15,000
Current portion of long term interest-bearing bank loans – secured	Hibor+1.7%	2021	15,000	—	—	—
			<b>38,491</b>			15,152
<b>Non-current</b>						
Lease liabilities	1%~5.125%	2022	4,173	1%~5.125%	2021	82
Long term interest-bearing bank loans – secured	—	—	—	Hibor+1.7%	2021	25,000
			<b>4,173</b>			25,082
			<b>42,664</b>			40,234

Note:

Hibor stands for the three-month Hong Kong Interbank Offered Rate in the Hong Kong Dollar Interbank Market at or at about 11 am (Hong Kong time).

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 13. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	<b>30 June 2020 HK\$'000 (Unaudited)</b>	31 December 2019 HK\$'000 (Audited)
Contracted, but not provided for:		
Land and buildings	<b>17,645</b>	—
Plant and machinery	<b>978</b>	218
	<b>18,623</b>	218

### 14. RELATED PARTY TRANSACTIONS

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

		<b>For the six months ended 30 June</b>	
	Notes	<b>2020 HK\$'000 (Unaudited)</b>	2019 HK\$'000 (Unaudited)
<b>Purchases of products from:</b>			
Euro Asia Packaging (Guangdong) Co., Ltd. (廣東歐亞包裝有限公司) ("Euro Asia Packaging")	(i)	<b>19,442</b>	11,314
Hong Kong Aluminum Cans Limited	(i)	<b>3,032</b>	12
<b>Total</b>		<b>22,474</b>	11,326

(i) Euro Asia Packaging and Hong Kong Aluminum Cans Limited are related parties controlled by the ultimate shareholder of the Company. The sales and purchases between the companies were made on prices and conditions as mutually agreed.

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 14. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties:

The Group had an outstanding balance due from its related parties amounting to nil (31 December 2019: nil) and due to its related parties controlled by the ultimate shareholder of the Company amounting to HK\$2,833,000 (31 December 2019: HK\$15,676,000) as at the end of the reporting period. This balance is unsecured, interest-free and has no fixed terms of repayment.

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

	For the six months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Fees	1,846	—
Salaries, allowances and benefits in kind	1,074	798
Pension scheme contributions	41	15
Equity-settled share option expense	1,084	—
<b>Total compensation paid to key management personnel</b>	<b>4,045</b>	<b>813</b>



## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 15. SHARE OPTION SCHEME

The Company adopted a Pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and a share option scheme (the "Share Option Scheme"), approved by the written resolutions of the shareholders on 17 May 2019 (the "Resolutions").

#### Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme were effective on 21 June 2019 after all conditions have been fulfilled.

The purpose of the Pre-IPO Share Option Scheme is to recognise and motivate the contributions that certain executive and non-executive Directors, members of the senior management and other employees have made or may make to the Group. The principal terms of the Pre-IPO Share Option Scheme, approved by the Resolutions, are substantially the same as the terms of the Share Option Scheme except that:

- (a) the subscription price per share under the Pre-IPO Share Option Scheme is HK\$2.17;
- (b) the total number of shares which may be issued upon the exercise of all share options granted under the Pre-IPO Share Option Scheme is 7,765,000 shares, representing approximately 3.3% of the total issued share capital of the Company immediately after the completion of the listing;
- (c) save for the share options which have been granted, no further share options will be granted under the Pre-IPO Share Option Scheme on or after 21 June 2019 (the "Listing Date"); and

The share options granted under the Pre-IPO Share Options Scheme are subject to the following vesting and exercise period:

Batch 1 50% of the share options shall become vested and exercisable on the 1st anniversary date of the Listing Date (the "1st Vesting Date"), and the exercise period in respect thereof shall commence on the 1st Vesting Date and end on the day immediately before the 10th anniversary date of the offer date (the "Expiration Date") (both dates inclusive).

Batch 2 50% of the share options shall become vested and exercisable on the 2nd anniversary date of the Listing Date (the "2nd Vesting Date"), and the exercise period in respect thereof shall commence on the 2nd Vesting Date and end on the Expiration Date (both dates inclusive).

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 15. SHARE OPTION SCHEME (Continued)

#### Pre-IPO Share Option Scheme (Continued)

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

	For the six months ended 30 June 2020	
	Weighted average exercise price HK\$ per share	Number of options
At 31 December 2019	2.17	7,615,000
Forfeited during the period	2.17	(70,000)
At end of period	2.17	7,545,000

The fair value of the share options under the Pre-IPO Share Option Scheme granted was estimated at approximately HK\$6,023,000 of which the Group recognised a share option expense of HK\$2,124,000 (30 June 2019: HK\$113,000) and reversed a share option expense of HK\$17,000 (30 June 2019: nil) because of the resignation of two senior staff during the six months ended 30 June 2020.

The fair value of the share options under the Pre-IPO Share Option Scheme granted was estimated as at the date of grant, using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

	Batch 1	Batch 2
Dividend yield (%)	—	—
Expected volatility (%)	36.545%	36.545%
Risk-free interest rate (%)	1.946%	1.946%
Expected life of options (year)	10	10
Weighted average share price (HK\$ per share)	2.17	2.17

The expected life of the share options is not necessarily indicative of the exercise patterns that may occur. The expected volatility may not necessarily reflect the actual outcome.

No other feature of the share options granted was incorporated into the measurement of fair value.

No share option was exercised during the period. As at 30 June 2020, the Company had 7,545,000 share options outstanding under the Pre-IPO Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 7,545,000 additional ordinary shares of the Company and additional share capital of HK\$75,000 and share premium of HK\$7,470,000.

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 15. SHARE OPTION SCHEME *(Continued)*

#### Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of: (a) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and (b) attract and retain or otherwise maintain ongoing business relationships with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group.

The board of Directors (the "Board") may at its discretion grant options to eligible participants ("Eligible Participants"):

- (i) any Eligible Employees "Eligible Employees" means employees (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company, any subsidiary or any entity in which the Group holds at least 20% of its issued share capital ("Invested Entity");
- (ii) any non-executive Directors (including independent non-executive Directors) of the Company, any subsidiary or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of any member of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity;
- (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; and
- (ix) for the purposes of the Share Option Scheme, share options may be granted to any company wholly owned by one or more Eligible Participants.

## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2020

### 15. SHARE OPTION SCHEME *(Continued)*

#### Share Option Scheme *(Continued)*

The exercise price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the exercise price shall be at least the highest of: (a) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the offer date, which must be a business day; (b) the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (c) the nominal value of a share.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of grant of the share options.

The maximum number of shares to be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share options granted and yet to be exercised under any other scheme of the Company shall not, in aggregate, exceed 10% of the total number of shares in issue on the Listing Date, i.e., 23,454,475 shares, and 30% of the shares of the Company in issue from time to time. The maximum number of shares issuable under share options to any Eligible Participant in the Share Option Scheme within any 12-month period up to and including the date of the grant is limited to 1% in aggregate of the shares of the Company in issue at the date of the grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or a substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors, excluding the independent non-executive director who or whose associates are the grantee. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of the grant, are subject to shareholders' approval in advance in a general meeting.

The Share Option Scheme became effective on 17 May 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

As at 30 June 2020 and the date of approval of these interim condensed consolidated financial statements, no share option was granted and outstanding under the Share Option Scheme.

### 16. EVENTS AFTER THE REPORTING PERIOD

On 10 June 2020, Precious Dragon Technology Thai Limited, a wholly-owned subsidiary of the Company, entered into a land purchase agreement with independent third party to acquire the land from the third party at a consideration of Baht 100,548,075 (HK\$24,800,000). This transaction was completed on 22 July 2020.

## Other Information

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

As at 30 June 2020, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:

#### (i) Long positions in the Shares and underlying Shares of the shares options granted under the Pre-IPO Share Option Scheme of the Company

Names of Directors	Number of Ordinary Shares			Interests in underlying Shares	Total	Approximate percentage of the issued Shares (Note 2)
	Beneficial owner	Interest of family	Interests in a controlled corporation	Share options (Note 1)		
Ms. Ko Sau Mee ("Mrs. Lin")	-	107,788,500 (Note 3)	67,000,000 (Note 4)	500,000	175,288,500	75.06%
Ms. Lin Hing Lei	-	-	-	500,000	500,000	0.21%
Mr. Lin Hing Lung	-	-	-	500,000	500,000	0.21%
Mr. Yang Xiaoye	-	-	-	300,000	300,000	0.13%
Mr. Poon Tak Ching	368,000	-	-	-	368,000	0.16%

Notes:

- (1) These share options represent the awarded underlying Shares granted to the Directors under a pre-IPO share option scheme of the Company (the "Pre-IPO Share Option Scheme") which was adopted on 12 April 2019. Details of the Pre-IPO Share Option Scheme have been disclosed in the section headed "Pre-IPO Share Option Scheme".
- (2) These percentages have been compiled based on the total number of issued Shares as at 30 June 2020 (i.e. 233,544,750 Shares).
- (3) These Shares are held by Mr. Lin Wan Tsang, as Mrs. Lin is the spouse of Mr. Lin Wan Tsang, Mrs. Lin is deemed to be interested in all the Shares held by Mr. Lin Wan Tsang by virtue of the SFO.
- (4) These Shares are held by Wellmass International Limited ("Wellmass"), which is wholly and beneficially owned by Mr. Lin Wan Tsang. As Mrs. Lin is the spouse of Mr. Lin Wan Tsang, Mrs. Lin is deemed to be interested in all the Shares held by Mr. Lin Wan Tsang (through Wellmass) by virtue of the SFO.

## Other Information

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective close associates had registered any interests or short positions in any Shares, underlying Shares in, and debentures of, the Company or any associated corporations as at 30 June 2020, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2020, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

#### (i) Long Positions in the Shares

Name of shareholder	Capacity/Nature of interests	Number of Shares held	Approximate percentage of issued Shares (Note 1)
Mr. Lin Wan Tsang	Beneficial Owner	107,788,500	46.15%
	Interest of spouse	500,000 (Note 2)	0.21%
	Interests in a controlled corporation	67,000,000 (Note 3)	28.69%
Wellmass	Beneficial Owner	67,000,000 (Note 3)	28.69%

Notes:

- (1) These percentages have been compiled based on the total number of issued Shares as at 30 June 2020 (i.e. 233,544,750 Shares).
- (2) These underlying Shares are held by Mrs. Lin, as Mr. Lin Wan Tsang is the spouse of Mrs. Lin, Mr. Lin Wan Tsang is deemed to be interested in all the Shares held by Mrs. Lin by virtue of the SFO.
- (3) These Shares are held by Wellmass, a company incorporated in the British Virgin Islands, and is solely and beneficially owned by Mr. Lin Wan Tsang.

Save as disclosed above, as at 30 June 2020, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to Section 336 of the SFO.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, no transactions, arrangements or contracts of significance to which the Company, its parent company, its subsidiaries or fellow subsidiaries were a party and in which a Director or his connected entities had a material interest, either directly or indirectly, subsisted at the end of the period or at any time during the period.

## Other Information

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the six months ended 30 June 2020 and up to the date of this report, none of the Directors or any of their respective close associates has engaged in any business that had competed or may compete with the business of the Group and any other conflict of interests which any such person had or might have with the Group.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above and "Pre-IPO Share Option Scheme" below, at no time during the six months ended 30 June 2020 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective close associates nor was the Company, its parent company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors, or their respective close associates to acquire such rights in any other body corporate.

### PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

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

### PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on 12 April 2019 so as to recognize and motivate the contributions that certain executive and non-executive Directors, members of the senior management and other employees (the "Grantees") have made or may make to our Group.

Initially, options to subscribe for an aggregate of 7,765,000 Shares had been granted to the Grantees. The total number of securities available for issue under the Pre-IPO Share Option Scheme is 7,615,000 Shares, representing approximately 3.26% of the total issued Shares as at the date of this report. No further options will be granted by the Company pursuant to the Pre-IPO Share Option Scheme. The exercise price per Share is HK\$2.17. All options granted under the Pre-IPO Share Option Scheme on 17 May 2019 may be exercised in the following manner:

Exercise Period	Maximum percentage of options exercisable
Commencing on the first anniversary date of the Listing Date upon certain fulfillment of certain conditions and ending on the 10th anniversary date of the offer date (the "Expiration Date") (both dates inclusive)	50% of the total number of options granted to each of the Grantees
Commencing on the second anniversary date of the Listing Date upon certain fulfillment of certain conditions and ending on the Expiration Date (both dates inclusive)	50% of the total number of options granted to each of the Grantees

## Other Information

### PRE-IPO SHARE OPTION SCHEME (Continued)

An option may be exercised in accordance with the terms of the Pre-IPO Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the Listing Date subject to the provisions of early termination thereof. Each of the Grantees is required to pay HK\$1.00 on acceptance of the options granted under the Pre-IPO Share Option Scheme.

Set out below is further information on the outstanding share options granted under the Pre-IPO Share Option Scheme as at 30 June 2020:

Names of the Grantees	Date of grant	Number of share options					Outstanding as at 30 June 2020	Exercise price per Share HK\$	Weighted average closing price of the Share before the date(s) of which shares options were exercised HK\$
		Outstanding as at 1 January 2020	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period			
<b>Directors</b>									
Ms. Ko Sau Mee	17 May 2019	500,000	-	-	-	-	500,000	2.17	-
Ms. Lin Hing Lei	17 May 2019	500,000	-	-	-	-	500,000	2.17	-
Mr. Lin Hing Lung	17 May 2019	500,000	-	-	-	-	500,000	2.17	-
Mr. Yang Xiaoye	17 May 2019	300,000	-	-	-	-	300,000	2.17	-
<b>Others</b>									
Employees	17 May 2019	5,815,000	-	-	70,000	-	5,745,000	2.17	-
<b>Total</b>		<b>7,615,000</b>	<b>-</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>7,545,000</b>		

Save as disclosed, during the six months ended 30 June 2020, no share options were granted, exercised, lapsed and cancelled under the Pre-IPO Share Option Scheme.

Further details of the Pre-IPO Share Option Scheme are set out in note 15 to the interim condensed consolidated financial statements.



## Other Information

### SHARE OPTION SCHEME

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

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

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of Shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 23,454,475 Shares) unless approved by the shareholders of the Company.

Subject to earlier termination by the Company in general meeting or by the Directors, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption. No share option has been granted under the Share Option Scheme and the total number of securities available for issue under the Share Option Scheme is 23,454,475 Shares, representing approximately 10.04% of the issued Shares as at the date of this report.

### GROUP REORGANIZATION

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 4 May 2018. Pursuant to a reorganization scheme to rationalize the structure of the Group in preparation for the listing of the Shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 15 May 2019. For details of the group reorganization, please refer to the paragraph headed "Corporate Reorganisation" in Appendix V "Statutory and General Information" to the prospectus of the Company dated 3 June 2019.

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

### AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 27 May 2019 with terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 (the "CG Code") to the Listing Rules for the purpose of making recommendations to the Board on the appointment and removal of the external auditor, reviewing the financial statements and related materials, providing advice in respect of the financial reporting process and overseeing the risk management and internal control systems of the Group. The Audit Committee now comprises three members, all being independent non-executive Directors, namely, Mr. Poon Tak Ching (Chairman), Mr. Lee Yiu Pui and Mr. Pang Cheung Wai, Thomas. The Group's accounting principles and practices, financial statements and related materials for the period had been reviewed by the Audit Committee.

The Audit Committee has reviewed, with the management, the accounting principles and policies adopted by the Group, and discussed the unaudited condensed consolidated financial statements matters of the Group for the six months ended 30 June 2020 and recommended its adoption by the Board.

### REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 27 May 2019 with specific written terms of reference in compliance with the CG Code for the purpose of making recommendations to the Board regarding the Group's policy and structure for all remuneration of Directors and senior management and approving the remuneration package of the individual executive Directors, the specific duties set out in CG Code provisions B.1.2(a) to (h). The Remuneration Committee comprises a total of four members, being one executive Director, namely, Ms. Ko Sau Mee and three independent non-executive Directors, namely, Mr. Pang Cheung Wai, Thomas (Chairman), Mr. Lee Yiu Pui and Mr. Poon Tak Ching. Accordingly, a majority of the members are independent non-executive Directors.

## Other Information

### NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 27 May 2019 with specific written terms of reference in compliance with the CG Code for the purpose of reviewing the Board composition, developing the relevant procedures for nomination and appointment of Directors and assessing the independence of independent non-executive Directors to ensure that the Board has a balance of expertise, skills and experience and formulating succession plans for executive Directors and senior executives. The Nomination Committee comprises a total of four members, being one executive Director, namely, Ms. Ko Sau Mee, and three independent non-executive Directors, namely, Mr. Lee Yiu Pui (Chairman), Mr. Poon Tak Ching and Mr. Pang Cheung Wai, Thomas. Accordingly, a majority of the members are independent non-executive Directors.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the CG Code during the six months ended 30 June 2020 except the CG Code provision A.2.1.

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

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

### SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company had maintained sufficient public float of not less than 25% of its total issued Shares as required under the Listing Rules for the six months ended 30 June 2020 and to the date of this report.

## Other Information

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

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding the Directors' securities transactions. All Directors have confirmed that, following specific enquiries made by the Company, they have complied with the required standards set out in the Model Code for the six months ended 30 June 2020.

### DIVIDENDS

The Board has resolved to declare an interim dividend of HK2.00 cents per Share for the six months ended 30 June 2020 (six months ended 30 June 2019: HK\$1.40 cents per Share) to be payable on or around 30 October 2020 to the shareholders of the Company whose names appear on the register of members of the Company on 7 September 2020.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 September 2020 to 7 September 2020, both days inclusive, during which period no transfers of Shares shall be effected. In order to qualify for the interim dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 2 September 2020.

By order of the Board

**Precious Dragon Technology Holdings Limited**

**保寶龍科技控股有限公司**

**Ko Sau Mee**

*Chairlady and executive Director*

Hong Kong  
17 August 2020