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## **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)**

### **PROFIT WARNING**

**AND**

### **ANNOUNCEMENT IN RELATION TO PROVISION FOR ASSET IMPAIRMENT**

This announcement is made by Precious Dragon Technology Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the Group’s unaudited consolidated management accounts for the financial year ended 31 December 2024 (“**FY2024**”), as well as other relevant information currently available, the Group is considering making an impairment on its investment in a production plant located in Thailand (the “**Factory**”). The net carrying value of the Factory is approximately HK\$120.4 million. The Factory is classified as a non-current asset under “Property, Plant, and Equipment” in the Company’s statement of financial position. The construction of the Factory was substantially completed in 2023. Since then, the facility has been gradually progressing toward its estimated capacity. However, it has not yet fully achieved the expected output due to challenges in Thailand, including difficulties in securing a consistent supply of high-quality raw materials and high rates of labor turnover.

In compliance with relevant accounting standards, the Company conducted impairment tests on the Factory as of 31 December 2024. The recoverable amount of the Factory has been estimated based on its value in use. The Company intends to recognize a provision for impairment reflecting the discrepancy between the recoverable amount and the carrying value of the Factory. Since the fair market value of the Factory is unavailable in the Thai market, the impairment test was based on the value in use calculation.

To ensure that the Company's financial position and asset valuation are presented in an objective and fair manner, the Company is considering recognizing an impairment provision of approximately HK\$6.6 million for the Factory.

Moreover, the Board has identified that the anticipated decline in operational performance during FY2024 is primarily attributable to an increase in promotional expenses, among other contributing factors.

Taking into account both the impairment provision on the Factory and the operational performance of the Group for FY2024, the Group anticipates a significant decline in net profit attributable to the owners of the parent, with a decrease of no less than 39% compared to the net profit attributable to the owners of the parent of approximately HK\$56.9 million for the financial year ended 31 December 2023.

The Company is still in the process of preparing its audited consolidated accounts for FY2024 and commencing the audit for the FY2024. The information contained in this announcement is only based on the preliminary review and assessment by the Board with reference to the latest available financial and other information, and such information have neither been reviewed by the audit committee of the Company nor audited by the Company's auditors, and is subject to possible adjustment upon further review.

Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the year ended 31 December 2024, which is expected to be released by the end of March 2025.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company and, in case of doubt, to seek independent advice from professionals or financial advisers.

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, 18 March 2025

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