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PERFECT GROUP

保發集團

PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3326)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Perfect Group International Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	<i>NOTES</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	2	273,492	348,711
Cost of goods sold		(190,948)	(246,507)
Gross profit		82,544	102,204
Other income		6,463	5,272
Other gains and losses, net		(3,221)	(2,909)
Impairment losses under expected credit loss (“ECL”) model, net		(845)	(1,042)
Impairment losses on properties held for sales		(26,293)	—
Selling and distribution costs		(12,639)	(13,590)
General and administrative expenses		(45,880)	(45,580)
Finance costs		(1,843)	(1,061)
Share of result of a joint venture		59	(35)
(Loss)/profit before income tax	3	(1,655)	43,259
Income tax credit/(expense)	4	11,514	(9,101)

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year		<u>9,859</u>	<u>34,158</u>
Other comprehensive expense for the year			
Item that will not be reclassified to profit or loss:			
Equity instruments at fair value through other comprehensive income			
— Change in fair value		(260)	(347)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		<u>(13,804)</u>	<u>(9,676)</u>
Other comprehensive expense for the year		<u>(14,064)</u>	<u>(10,023)</u>
Total comprehensive (expense)/income for the year		<u>(4,205)</u>	<u>24,135</u>
Profit/(loss) for the year attributable to:			
Owners of the Company		9,671	34,364
Non-controlling interests		188	(206)
		<u>9,859</u>	<u>34,158</u>
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		(4,117)	24,529
Non-controlling interests		(88)	(394)
		<u>(4,205)</u>	<u>24,135</u>
		<i>HK Cents</i>	<i>HK Cents</i>
Earnings per share	6		
— Basic		<u>0.72</u>	<u>2.56</u>
— Diluted		<u>0.72</u>	<u>2.56</u>

Consolidated Statement of Financial Position

At 31 December 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment		119,170	93,351
Right-of-use assets		16,242	7,894
Interest in an associate		—	—
Interest in a joint venture		236	185
Equity instruments at fair value through other comprehensive income (“FVTOCI”)		448	696
Deferred tax assets		1,369	1,139
		<u>137,465</u>	<u>103,265</u>
Current assets			
Inventories		122,669	140,050
Properties held for sale	7	299,154	350,459
Trade and other receivables	8	61,819	87,575
Loan receivable from an associate		—	7,268
Financial assets at fair value through profit or loss (“FVTPL”)		3,788	6,131
Restricted deposit		2,413	—
Bank deposits		112,899	66,736
Cash and cash equivalents		44,796	76,041
		<u>647,538</u>	<u>734,260</u>
Current liabilities			
Trade and other payables	9	45,636	56,510
Contract liabilities		5,129	4,055
Lease liabilities		3,035	35
Tax payables		57,432	76,903
Bank loans		31,901	25,029
		<u>143,133</u>	<u>162,532</u>
Net current assets		<u>504,405</u>	<u>571,728</u>
Total assets less current liabilities		<u>641,870</u>	<u>674,993</u>

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		6,746	908
Defined benefit plan obligations		1,072	898
Deferred tax liabilities		14,534	23,483
		<u>22,352</u>	<u>25,289</u>
Net assets		<u>619,518</u>	<u>649,704</u>
Share capital and reserve			
Share capital	10	4,454	4,470
Reserves		605,485	638,197
Equity attributable to owners of the Company		609,939	642,667
Non-controlling interests		9,579	7,037
Total Equity		<u>619,518</u>	<u>649,704</u>

NOTES:

1. BASIS OF PREPARATION AND APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (the “HKFRSs”)

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the “2020 Amendments”)
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised to HKFRSs that have been issued but are not yet effective in the financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	Presentation and disclosure in financial statements ³
HKFRS 19	Subsidiaries without public accountability ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the classification and measurement of financial instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹
Annual improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS1, HKFRS7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or 1 January 2025.

² Effective for annual periods beginning on or 1 January 2026.

³ Effective for annual periods beginning on or 1 January 2027.

⁴ No mandatory effective date yet determined but available for adoption.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the income statement; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted, and will be applied retrospectively. The application of the new standard is expected to affect the presentation of the income statement and disclosures in the future financial statements. The Group is still currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

2. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on the revenues and profits from different types of business divisions.

The Group's operating and reportable segments under HKFRS 8 *Operating Segments* are as follows:

- (i) Manufacturing and sales of jewellery products business represents manufacturing and sales of jewellery products including rings, earrings, pendants, bangles, necklaces and bracelets as well as metal refining and purifying processes for jewellery (“**Jewellery business**”);
- (ii) Property business represents the development, sales and rental of properties at the Group's integrated and comprehensive industry park project and property management business (“**Property business**”); and
- (iii) Photovoltaic power generation and energy storage business represents sales of electricity which is generated from the photovoltaic power generation system owned by the Group as well as service income from energy storage system (“**Photovoltaic power generation and energy storage business**”).

(a) **Segment revenue and results**

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

For the year ended 31 December 2024

	Jewellery business HK\$'000	Property business HK\$'000	Photovoltaic power generation and energy storage business HK\$'000	Consolidated HK\$'000
Segment revenue	<u>232,805</u>	<u>33,530</u>	<u>7,157</u>	<u>273,492</u>
Segment results	<u>32,423</u>	<u>5,812</u>	<u>3,097</u>	41,332
Impairment losses under ECL model				(845)
Impairment losses on properties held for sale				(26,293)
Loss on inventories				(1,975)
Gain on disposal of a subsidiary				2,827
Loss on disposal of FVTPL				(4,349)
Changes in fair value of financial assets at FVTPL				(520)
Unallocated corporate income				200
Unallocated corporate expenses				(10,248)
Unallocated finance costs				(1,843)
Share of result of a joint venture				59
Loss before income tax				<u>(1,655)</u>

For the year ended 31 December 2023

	Jewellery business HK\$'000	Property business HK\$'000	Photovoltaic power generation business HK\$'000	Consolidated HK\$'000
Segment revenue	<u>286,426</u>	<u>59,246</u>	<u>3,039</u>	<u>348,711</u>
Segment results	<u>49,225</u>	<u>6,728</u>	<u>1,249</u>	57,202
Impairment losses under ECL model				(1,042)
Unallocated corporate income				250
Unallocated corporate expenses				(12,055)
Unallocated finance costs				(1,061)
Share of result of a joint venture				(35)
Profit before income tax				<u>43,259</u>

Segment results represent the profit earned or loss incurred by each segment and hence is arrived at without allocation of impairment losses under ECL model, impairment losses on properties held for sale, written off of inventories, loss on disposal of FVTPL, fair value change in FVTPL, share of result of a joint venture and certain unallocated income and expenses and finance costs. This is the measure reported to the CODM of the Company, for the purposes of resources allocation and assessment of segment performance.

(b) Segment assets and liabilities

The following is an analysis of the Group's segment assets and segment liabilities by operating and reportable segments:

At 31 December 2024

	Jewellery business HK\$'000	Property business HK\$'000	Photovoltaic power generation and energy storage business HK\$'000	Consolidated HK\$'000
Assets				
Segment assets	339,730	374,273	63,786	777,789
Interest in an associate				—
Interest in a joint venture				236
Equity instruments at FVTOCI				448
Deferred tax assets				1,369
Unallocated corporate assets				<u>5,161</u>
Consolidated total assets				<u><u>785,003</u></u>
Liabilities				
Segment liabilities	40,483	12,855	39,432	92,770
Tax payables				57,432
Deferred tax liabilities				14,534
Unallocated corporate liabilities				<u>749</u>
Consolidated total liabilities				<u><u>165,485</u></u>

At 31 December 2023

	Jewellery business <i>HK\$'000</i>	Property business <i>HK\$'000</i>	Photovoltaic power generation business <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets				
Segment assets	311,920	464,370	33,292	809,582
Interest in an associate				—
Interest in a joint venture				185
Equity instruments at FVTOCI				696
Deferred tax assets				1,139
Unallocated corporate assets				<u>25,923</u>
Consolidated total assets				<u><u>837,525</u></u>
Liabilities				
Segment liabilities	48,327	20,134	17,119	85,580
Tax payables				76,903
Deferred tax liabilities				23,483
Unallocated corporate liabilities				<u>1,855</u>
Consolidated total liabilities				<u><u>187,821</u></u>

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

- all assets are allocated to operating segments other than interest in an associate, interest in a joint venture, equity instruments at FVTOCI, deferred tax assets and unallocated corporate assets.
- all liabilities are allocated to operating segments other than tax payables, deferred tax liabilities and unallocated corporate liabilities.

Geographical information

Revenue from external customers, based on location of delivery/transfer to customers and location of property is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue		
— Hong Kong	170,017	197,009
— Dubai	46,627	88,651
— PRC	56,848	63,051
	<u>273,492</u>	<u>348,711</u>

Revenue from customer which accounts for 10% or more of the Group's revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A in jewellery segment	28,712	42,695
Customer B in jewellery segment	30,311	—
	<u>30,311</u>	<u>—</u>

An analysis of the Group's non-current assets (other than interest in an associate, interest in a joint venture, equity instruments at FVTOCI and deferred tax assets) by their physical geographical location is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PRC	126,486	100,289
Hong Kong	8,645	565
Dubai	281	391
	<u>135,412</u>	<u>101,245</u>

3. (LOSS)/PROFIT BEFORE INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss)/profit before income tax has been arrived at after charging:		
Directors' remuneration	8,283	8,270
Other staff's salaries and other benefits	18,958	20,795
Other staff's retirement benefits scheme contributions	1,375	1,631
	<hr/>	<hr/>
Total staff costs	28,616	30,696
	<hr/>	<hr/>
Auditor's remuneration		
— Audit services	955	910
— Non-audit services	240	230
Defined benefit plan obligation	174	—
Written-off of inventories	1,975	—
Written-off of property, plant and equipment	2	—
Depreciation of property, plant and equipment	5,415	3,264
Depreciation of right-of-use assets	1,472	953
Cost of inventories recognised as expenses (included in cost of goods sold)	187,432	238,164
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* There were no forfeited contribution available for offset against existing contributions to pension costs, defined contribution plans and social security costs during the years ended 31 December 2024 and 2023.

4. INCOME TAX (CREDIT)/EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The income tax (credit)/expense comprises:		
Hong Kong Profits Tax		
— Current year	1,527	3,143
— Over-provision in prior year	(693)	—
PRC Tax		
— Current year	5,291	14,914
— Over-provision in prior years	(7,033)	—
Over-provision in prior years	(2,043)	(1,941)
	<hr/>	<hr/>
Deferred tax credit	(2,951)	16,116
	(8,563)	(7,015)
	<hr/>	<hr/>
	(11,514)	9,101
	<hr/> <hr/>	<hr/> <hr/>

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

Under the Law of the PRC on Enterprise Income Tax (“EIT”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the EIT Law, a 5% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. During the year ended 31 December 2024, withholding tax amounted to HK\$1,978,000 (2023: Nil) was recognised in the consolidated profit or loss and other comprehensive income.

The Group’s manufacturing of fine jewellery products is conducted through its processing factories in the PRC under contract processing arrangement. Accordingly, under such 50:50 onshore/offshore arrangement between the Group and the processing factories, certain profits of the Group are not taxable under Hong Kong Profits Tax during both years.

The provision of Land Appreciation Tax (“LAT”) is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation’s official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

5. DIVIDEND

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Dividends recognised as distribution during the year:		
Final dividend for 2023 of HK\$0.02 (2022: HK\$0.02) per share	<u>26,788</u>	<u>26,822</u>

The directors proposed to declare a final dividend of HK\$0.01 per share, totalling approximately HK\$13,362,450 in respect of the year ended 31 December 2024, based on the total shares in issue as of the date of this announcement, payable to the shareholders whose names appear on the Company’s register of members on 12 June 2025.

During the year ended 31 December 2024, the Company has purchased 4,764,000 shares in aggregate of its own shares from the market. Among these 4,764,000 shares, 1,587,000 shares were entitled to the final dividend for 2023. The dividend paid by the Company in respect of those 1,587,000 shares, amounted to approximately HK\$32,000, has been eliminated to the respective dividend received by the Company.

6. EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company and earnings for the purposes of calculating basic and diluted earnings per share	<u>9,671</u>	<u>34,364</u>
	Number of shares <i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating both basic and diluted earnings per share	<u>1,339,100</u>	<u>1,341,009</u>

During the year ended 31 December 2024, the Company purchased 4,764,000 shares in aggregate of its own shares from the market.

7. PROPERTIES HELD FOR SALE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Properties held for sale	<u>299,154</u>	<u>350,459</u>

During the year ended 31 December 2024, properties held for sale with carrying amount of approximately HK\$13,710,000 (2023: HK\$29,356,000) were sold to third parties.

During the year ended 31 December 2024, impairment of HK\$26,293,000 has been made in respect of the properties held for sale as at 31 December 2024 (2023: Nil).

As at 31 December 2024, certain of the Group's properties held for sale with a net carrying amount of approximately HK\$43,341,000 (2023: HK\$44,889,000) were pledged to secure a bank loan granted to a PRC subsidiary during the year.

8. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	65,184	84,058
Less: Allowance for impairment losses on ECL	<u>(19,731)</u>	<u>(22,658)</u>
	45,453	61,400
Other receivables, prepayments and deposits	14,931	24,426
Amount due from a joint venture	1,435	1,487
Amount due from an associate	<u>—</u>	<u>262</u>
	<u>61,819</u>	<u>87,575</u>

The following is an analysis of trade receivable net of allowance for ECL by age, presented based on the invoice date, which approximates the respective revenue recognition date.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	12,306	15,796
31–60 days	9,449	13,310
61–180 days	19,252	27,580
181–365 days	<u>4,446</u>	<u>4,714</u>
	<u>45,453</u>	<u>61,400</u>

The Group generally allows a credit period of up to 120 days to its customers. A longer credit period may be granted to large or long established customers with good payment history.

Before accepting any new customers, the Group has an internal credit control system to assess the potential customers' credit quality and the board of directors has delegated management to be responsible for the determination of credit limits and credit approvals for customers. Limits attributed to customers are reviewed periodically.

The Group's management takes into consideration of customers' credit history, settlement patterns, subsequent settlements, customers' financial position and an assessment of both the current and forecast general economic conditions and aging analysis of trade receivables in determining the recoverability of the overdue trade receivables. The directors of the Company considered that the concentration of credit risk is limited due to the customer base being large and unrelated.

As at 31 December 2024, following the assessment of individual balances based on the Group's historical default experiences and the individual characteristics of each customer including but not limited to the aging profile and financial position together with other forward looking factors, the Group has reversed an impairment loss under ECL model of approximately HK\$1,137,000 (2023: HK\$835,000) on trade receivables for the year.

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$28,428,000 (2023: HK\$43,088,000) which are past due as at the reporting date. Included in the past due balances of approximately HK\$14,320,000 (2023: HK\$12,895,000) has been past due 90 days or more and is not considered as in default based on good repayment records for those customers and continuous business with the Group. The grouping is regularly reviewed by management of the Group to ensure relevant information about specific debtors is updated.

Other receivables, prepayments and deposits mainly comprised of value-added tax recoverable.

9. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	28,388	32,481
Accruals and other payables	17,248	24,029
	<u>45,636</u>	<u>56,510</u>

The following is an aged analysis of trade payables presented based on invoice date at the end of each year:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–60 days	10,671	13,616
61–90 days	1,798	3,556
Over 90 days	15,919	15,309
	<u>28,388</u>	<u>32,481</u>

Accruals and other payables mainly consist of payable of staff salaries and benefits.

10. SHARE CAPITAL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Authorised:		
3,000,000,000 ordinary shares of one third Hong Kong cent each (2023: 3,000,000,000 ordinary shares of one third Hong Kong cent each)	<u>10,000</u>	<u>10,000</u>
Issued and fully paid:		
1,336,245,000 ordinary shares of one third Hong Kong cent each (2023: 1,341,009,000 ordinary shares of one third Hong Kong cent each)	<u>4,454</u>	<u>4,470</u>

The movements in the Company's share capital for the years ended 31 December 2024 and 2023 were as follows:

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>3,000,000,000</u>	<u>10,000</u>
Issued and fully paid:		
At 1 January 2023, 31 December 2023 and 1 January 2024	1,341,009,000	4,470
Repurchase and cancellation of shares (<i>Note</i>)	<u>(4,764,000)</u>	<u>(16)</u>
At 31 December 2024	<u>1,336,245,000</u>	<u>4,454</u>

Note: During the year, the Group repurchased its own ordinary shares on The Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate price paid HK\$'000
April 2024	1,170,000	0.188	0.188	220
April 2024	417,000	0.195	0.195	81
August 2024	729,000	0.188	0.187	137
September 2024	195,000	0.180	0.178	35
September 2024	123,000	0.184	0.183	23
September 2024	243,000	0.184	0.184	45
September 2024	300,000	0.190	0.190	57
October 2024	222,000	0.194	0.194	43
October 2024	69,000	0.196	0.195	13
October 2024	231,000	0.200	0.200	46
October 2024	450,000	0.192	0.192	86
October 2024	183,000	0.187	0.186	34
October 2024	432,000	0.188	0.187	81
	<u>4,764,000</u>			<u>901</u>

The total amount paid on the repurchased shares was of approximately HK\$901,000 (2023: Nil).

During the year ended 31 December 2024, there were no issued and repayments of debt and equity securities (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review, outlook and prospects

The principal businesses of the Group are (a) designing, manufacturing and sales of high-end fine jewellery (primarily mounted with diamonds) as well as metal refining and purifying process for jewellery (the “**Jewellery Business**”); (b) investment in and the development and sales of properties for the Group’s integrated and comprehensive industry park located at 1st Ring Road South Extension Foshan, Guangdong Province, the People’s Republic of China (the “**PRC**”) (the “**Property Business**”) as an integrated and comprehensive industry park (the “**Perfect Group Jewellery Industry Park**”); and (c) sales of electricity generated from the photovoltaic power generation system and provision of energy storage service (the “**Photovoltaic Power Generation and Energy Storage Business**”).

The Jewellery Business

During the year ended 31 December 2024, the Jewellery Business continued to be affected by the macroeconomic environment of heightened geopolitical tensions, declining economic growth expectation and record high gold prices which weakened the customer sentiment significantly. With the contraction of the PRC market and not showing any signs of lasting recovery, in the second half of 2024, the Group decided to contract the sales of Jewellery Business in the PRC market and continued to focus on the development of the Jewellery Business in the overseas markets going forward. As of the date of this announcement, the Group is in the process of divesting certain of its interests in the Jewellery Business in the PRC. Despite the market uncertainties and externalities beyond our control, the Group was committed to participating actively in various shows, fairs and exhibitions held in both Hong Kong and overseas. In addition, as a sales drive, our sales team was devoted to visiting the overseas customers and soliciting more sales orders from existing and potential customers.

On the other hand, Guangdong Huijinying Jewellery Company Limited* (廣東滙金盈珠寶有限公司) (“**Guangdong Huijinying**”), an indirect non-wholly owned subsidiary of the Company, has started its operation through its licensed environmental protection centre during the year ended 31 December 2024. Given that the principal activities of Guangdong Huijinying, which are metal refining and purifying process for jewellery which forms part of the jewellery manufacturing process and their products and economic characteristics are similar to the Jewellery Business segment, and the segment revenue, results, assets and liabilities of metal refining and purifying processes for jewellery are not individually material, the segment of metal refining and purifying processes for jewellery has been incorporated into the Jewellery Business segment.

Outlook for the Jewellery Business

It is expected that the Jewellery Business will continue to be affected by the above-mentioned challenging macroeconomic environment. The Group will be committed to enhancing its participation in jewellery shows, fairs and exhibitions in Hong Kong and overseas and developing competitive jewellery styles in the market for the purpose of attracting new customers and consolidating the Jewellery Business. Leveraging its extensive experience and deep insight into the Jewellery Business, the Group will continue to take a proactive and responsive approach to strengthen business resilience by staying vigilant and actively monitoring the dynamics and fast-evolving market conditions. The Group will continue to focus on the development of the Jewellery Business in overseas markets.

The Property Business

Since the second half of 2018, the Group has started to deliver the completed units, including industrial units and dormitory, to its customers. The Group has also started to deliver the car parks to its customer during the year ended 31 December 2024. As the units sold have been delivered, revenue recognition has proceeded as scheduled. On the other hand, the provision of management services in the Perfect Group Jewellery Industry Park has generated stable income for the Group.

On 1 April 2024, Perfect Jewellery (China) Co. Limited (“**Perfect Jewellery (China)**”), an indirect wholly-owned subsidiary of the Company, entered into a disposal agreement with Foshan Yingfu Technology Co., Ltd.* (佛山市盈富科技有限公司) (“**Foshan Yingfu Technology**”), an independent third party, in relation to the disposal of the entire equity interests in Foshan Huaguanhui Property Management Ltd.* (佛山市華冠匯物業管理有限公司) (“**Foshan Huaguanhui Property Management**”), which was a subsidiary of the Company principally engaged in the property management business, for a consideration of approximately RMB3.7 million (equivalent to approximately HK\$4.0 million) (the “**Disposal of Foshan Huaguanhui Property Management**”). The Disposal of Foshan Huaguanhui Property Management was completed in April 2024 and since then Foshan Huaguanhui Property Management ceased to be an indirectly wholly-owned subsidiary of the Company, its financial results are no longer consolidated into the Group’s consolidated financial statements.

Outlook for the Property Business

It is expected that the properties held by the Group will continue to be sold. Given that the overall industrial property market in the PRC remains subdued, it is expected the sales of properties would remain challenging. Up to the date of this announcement, the overall units of properties and car parks and the saleable gross floor area sold and delivered are lower than that for the corresponding period in the 2024 year. The management fee income has continued to make stable contributions to the Property Business in the first quarter of 2025. The Group will continue to explore opportunities for sales of properties in the Perfect Group Jewellery Industry Park to enhance the overall profitability of the Property Business.

The Photovoltaic Power Generation and Energy Storage Business

The Group, while not only actively making its efforts to strengthen the development of both the Jewellery Business and the Property Business, it is also on the lookout for and exploring new business opportunities to diversify its existing revenue streams and to improve the overall profitability of the Group. The photovoltaic power generation business involves sales of electricity which is generated from the photovoltaic power generation system owned by the Group. Guangdong Kaisi New Energy Co., Ltd.* (廣東愷斯新能源有限公司) (“**Guangdong Kaisi**”), an indirect non-wholly owned subsidiary of the Company, charges users for approximately 70% to 90% of the official charge rate stipulated by the local electricity bureau. In case the customers could not utilise all the electricity generated, the unutilised electricity would be sold to the local electricity bureau at a reduced rate.

As at 31 December 2024, the Group completed the grid connection of fourteen projects (31 December 2023: eight projects) in the PRC with an aggregate maximum capacity of approximately 12,586 kilo-Watt (31 December 2023: 5,882 kilo-Watt) and the power generation was approximately 9.8 million units during the year ended 31 December 2024 (31 December 2023: 3.6 million units).

During the year ended 31 December 2024, Guangdong Kaichu New Energy Company Limited (“**Guangdong Kaichu**”)* (廣東愷儲新能源有限公司), an indirect non-wholly owned subsidiary of the Company, has been established to engage in the energy storage business. Guangdong Kaichu provides energy storage solutions including grip peak and frequency regulation, emergency backup and energy storage capacity services, effectively improving the flexibility of the power grid operation and power quality for the customers. At the same time, it plays an important role in ensuring power supply and new energy consumption. During the year ended 31 December 2024, the Group, through Guangdong Kaichu, successfully built its first energy power storage station in the PRC, and put into operation with an aggregate maximum capacity of approximately 2,150 kilo-Watt, and the power generation was approximately 0.19 million units during the year ended 31 December 2024.

Outlook for the Photovoltaic Power Generation and Energy Storage Business

In recent years, in order to address frequent global extreme climate change and mitigate the impact of rising fossil fuel prices, renewable and clean energy, represented by photovoltaics, has become a trend of the world. With the long-term PRC government strategic support, continuous technological advances and cost reductions, photovoltaic power is now the renewable energy with the greatest development potential. With lower cost as compared with the inflated fossil fuel prices, demand for photovoltaic products in the future is expected to increase but keen competition will exist at the same time.

On the other hand, Guangdong Kaichu focused on energy storage. The development of the energy storage business is driven by the huge market demand and the favourable PRC government policies. During the year ended 31 December 2024, new energy storage was included in the government work report for the first time. We aim to keep up with the pace of the times and seizing market opportunities. The Group entered the energy storage market by developing, building, and operating independent energy storage power stations. The Group will continue to seek the potential opportunities for the expansion of the energy storage business.

Financial review

Overall Revenue

	2024		2023		Increase/(Decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Jewellery Business	232,805	85.1	286,426	82.1	(53,621)	(18.7)
Property Business	33,530	12.3	59,246	17.0	(25,716)	(43.4)
Photovoltaic Power Generation and Energy Storage Business	7,157	2.6	3,039	0.9	4,118	135.5
	<u>273,492</u>	100.0	<u>348,711</u>	100.0	<u>(75,219)</u>	(21.6)

The revenue decreased from approximately HK\$348.7 million for the year ended 31 December 2023 to approximately HK\$273.5 million for the year ended 31 December 2024, representing a decrease of approximately HK\$75.2 million or 21.6%. The decrease was primarily due to the decrease in revenue from the Jewellery Business of approximately HK\$53.6 million and the decrease in revenue from the Property Business of approximately HK\$25.7 million and such decreases were partially offset by the increase in the Photovoltaic Power Generation and Energy Storage Business of approximately HK\$4.1 million.

The revenue from the Jewellery Business, the Property Business and the Photovoltaic Power Generation and Energy Storage Business represented approximately 85.1% (for the year ended 31 December 2023: approximately 82.1%), approximately 12.3% (for the year ended 31 December 2023: approximately 17.0%) and approximately 2.6% (for the year ended 31 December 2023: 0.9%), respectively, of the revenue of the Group for the year ended 31 December 2024.

	2024	2023	Increase/(Decrease)	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Hong Kong	170,017	197,009	(26,992)	(13.7)
Dubai	46,627	88,651	(42,024)	(47.4)
PRC	56,848	63,051	(6,203)	(9.8)
	<u>273,492</u>	<u>348,711</u>	<u>(75,219)</u>	<u>(21.6)</u>

The revenue from Hong Kong decreased from approximately HK\$197.0 million for the year ended 31 December 2023 to approximately HK\$170.0 million for the year ended 31 December 2024, representing a decrease of approximately HK\$27.0 million or 13.7%.

The revenue from Dubai decreased from approximately HK\$88.6 million for the year ended 31 December 2023 to approximately HK\$46.6 million for the year ended 31 December 2024, representing a decrease of approximately HK\$42.0 million or 47.4%.

The revenue from the PRC decreased from approximately HK\$63.0 million for the year ended 31 December 2023 to approximately HK\$56.8 million for the year ended 31 December 2024, representing a decrease of approximately HK\$6.2 million or 9.8%.

The decrease in revenue in Hong Kong and Dubai was mainly due to the challenging macroeconomic conditions resulting from weak customer sentiment for jewellery during the year ended 31 December 2024. The revenue decrease in the PRC was mainly due to the contraction of the jewellery business in the PRC market and decrease in sales of properties. Such impact was partially offset by the growth of the Photovoltaic Power Generation and Energy Storage Business in the PRC as more photovoltaic power generation projects had been carried out and more income being generated from sales of electricity accordingly during the year ended 31 December 2024.

Overall gross profit and gross profit margin

	2024		2023		Increase/(Decrease)			
	Gross profit	Gross profit margin	Gross profit/(loss)	Gross profit margin	Gross profit	Gross profit margin		
	HK\$'000	%	HK\$'000	%	HK\$'000	%	Percentage point	%
Jewellery Business	63,807	27.4	80,495	28.1	(16,688)	(20.7)	(0.7)	(2.5)
Property Business	14,912	44.5	20,010	33.8	(5,098)	(25.5)	10.7	31.7
Photovoltaic Power Generation and Energy Storage Business	3,825	53.4	1,707	56.2	2,118	124.1	(2.8)	(5.0)
Unallocated	—	—	(8)	—	8	N/A	N/A	N/A
	<u>82,544</u>	<u>30.2</u>	<u>102,204</u>	29.3	(19,660)	(19.2)	0.9	3.1

The overall gross profit decreased from approximately HK\$102.2 million for the year ended 31 December 2023 to approximately HK\$82.5 million for the year ended 31 December 2024, representing a decrease of approximately HK\$19.7 million or 19.2%. The gross profit comprised of approximately HK\$63.8 million from the Jewellery Business for the year ended 31 December 2024, representing a decrease of approximately HK\$16.7 million or 20.7% as compared to the year ended 31 December 2023; approximately HK\$14.9 million from the Property Business for the year ended 31 December 2024, representing a decrease of approximately HK\$5.1 million or 25.5% as compared to the year ended 31 December 2023; and approximately HK\$3.8 million from the Photovoltaic Power Generation and Energy Storage Business for the year ended 31 December 2024, representing an increase of approximately HK\$2.1 million or 124.1% as compared to the year ended 31 December 2023.

The overall gross profit margin increased slightly from approximately 29.3% for the year ended 31 December 2023 to approximately 30.2% for the year ended 31 December 2024, representing an increase of approximately 0.9 percentage point or 3.1%. The increase in overall gross profit margin is mainly due to the increase in gross profit margin from the Property Business resulting from the decrease in sales of properties with relatively lower profit margin.

The Jewellery Business

Revenue

The revenue from the Jewellery Business decreased from approximately HK\$286.4 million for the year ended 31 December 2023 to approximately HK\$232.8 million for the year ended 31 December 2024, representing a decrease of approximately HK\$53.6 million or 18.7% for the Jewellery Business. The decrease was mainly due to the decrease in revenue from Hong Kong, the PRC and the Dubai region.

Gross profit and gross profit margin

The gross profit on Jewellery Business decreased from approximately HK\$80.5 million for the year ended 31 December 2023 to approximately HK\$63.8 million for the year ended 31 December 2024, representing a decrease of approximately HK\$16.7 million or 20.7%. The gross profit margin decreased from approximately 28.1% for the year ended 31 December 2023 to approximately 27.4% for the year ended 31 December 2024, representing a decrease of approximately 0.7 percentage point or 2.5%. The decrease in gross profit and gross profit margin was in line with the decrease in revenue and gross profit from Hong Kong, the PRC and the Dubai region.

The Property Business

Revenue

	2024	2023	Increase/(Decrease)	
	HK\$'000	HK\$'000	HK\$'000	%
Sales of properties	14,144	34,195	(20,051)	(58.6)
Rental income	11,653	14,069	(2,416)	(17.2)
Property management fee income	7,733	10,982	(3,249)	(29.6)
	<u>33,530</u>	<u>59,246</u>	<u>(25,716)</u>	(43.4)

The revenue from the Property Business decreased from approximately HK\$59.3 million for the year ended 31 December 2023 to approximately HK\$33.5 million for the year ended 31 December 2024, representing a significant decrease of approximately HK\$25.8 million or 43.4%. The decrease was mainly due to the decrease in sales of properties, rental income and property management fee income.

During the year ended 31 December 2024, the number of units of properties and car parks delivered to customers is 9 (for the year ended 31 December 2023: 17) and 5 (for the year ended 31 December 2023: nil), respectively and the saleable gross floor area sold and delivered is approximately 2,978 square metres (for the year ended 31 December 2023: approximately 7,313 square metres).

Rental income for the year ended 31 December 2024 was approximately HK\$11.7 million (for the year ended 31 December 2023: approximately HK\$14.1 million), representing a decrease of approximately HK\$2.4 million or 17.2%). The decrease in rental income was mainly due to certain properties being purchased by the tenants and thus less rental income being generated during the year ended 31 December 2024.

Property management fee income for the year ended 31 December 2024 was approximately HK\$7.7 million (for the year ended 31 December 2023: approximately HK\$11.0 million, representing a decrease of approximately HK\$3.2 million or 29.6%). The decrease in property management fee income was mainly due to the Disposal of Foshan Huaguanhui Property Management in April 2024.

Gross profit and gross profit margin

The gross profit recognised for the year ended 31 December 2024 was approximately HK\$14.9 million (for the year ended 31 December 2023: approximately HK\$20.0 million) and the gross profit margin was approximately 44.5% (for the year ended 31 December 2023: approximately 33.8%). The decrease in gross profit was in line with the decrease in rental income and property management fee income. The increase in gross profit margin is mainly due to the decrease in sales of properties with relatively lower profit margin.

The Photovoltaic Power Generation and Energy Storage Business

Revenue, gross profit and gross profit margin

Revenue

	2024	2023	Increase/(Decrease)	
	HK\$'000	HK\$'000	HK\$'000	%
Sales of electricity from photovoltaic power generation system	7,066	3,039	4,027	132.5
Service income from energy storage business	91	—	91	N/A
	<u>7,157</u>	<u>3,039</u>	<u>4,118</u>	<u>135.5</u>

The revenue from the Photovoltaic Power Generation and Energy Storage Business increased from approximately HK\$3.0 million for the year ended 31 December 2023 to approximately HK\$7.2 million for the year ended 31 December 2024. The gross profit increased from approximately HK\$1.7 million for the year ended 31 December 2023 to approximately HK\$3.8 million for the year ended 31 December 2024. The gross profit

margin decreased from approximately 56.2% for the year ended 31 December 2023 to approximately 53.4% for the year ended 31 December 2024. The increase in gross profit was due to increase in sales of electricity as more photovoltaic power generation projects were carried out and the commencement of energy storage business during the year ended 31 December 2024. The decrease in gross profit margin is due to the diluting effect of lower gross profit margin from the energy storage business.

Other income

The other income increased from approximately HK\$5.3 million for the year ended 31 December 2023 to approximately HK\$6.5 million for the year ended 31 December 2024, representing an increase of approximately HK\$1.2 million or 22.6%. The increase was primarily due to the increase in interest income from approximately HK\$3.2 million for the year ended 31 December 2023 to approximately HK\$5.0 million for the year ended 31 December 2024 resulting from the increase in interest rates from the bank deposits and the increase in average balances of bank deposits. During the year ended 31 December 2024, the Group commenced silver trading business, the agency fee income from silver trading was approximately HK\$84,000 during the year ended 31 December 2024.

Other gains and losses, net

The other losses increased from approximately HK\$2.9 million for the year ended 31 December 2023 to approximately HK\$3.2 million for the year ended 31 December 2024. The increase is mainly due to the net effect of (i) loss on disposal of FVTPL of approximately HK\$4.3 million, mainly resulting from the realised loss on the gold futures contracts; and (ii) the net loss of written off of other receivables and the payables of approximately HK\$1.5 million of divesting a non-wholly owned subsidiary during the year ended 31 December 2024. Such impact was partially offset by (a) the decrease in loss on changes in fair value of financial assets at FVTPL from approximately HK\$1.4 million to approximately HK\$0.5 million, which mainly comprised of unrealised loss of approximately HK\$0.9 million on the gold futures contracts netting off the fair value gain of the listed equity securities of approximately HK\$0.3 million; and (b) the gain on Disposal of Foshan Huaguanhui Property Management of HK\$2.8 million recorded during the year ended 31 December 2024.

Impairment losses under expected credit loss model

The impairment losses under expected credit loss model mainly include reversal of impairment losses on trade receivables of approximately HK\$1.1 million (for the year ended 31 December 2023: approximately HK\$0.8 million) and impairment provision for a loan receivable from an associate in the PRC of approximately HK\$2.0 million (for the year ended 31 December 2023: approximately HK\$1.9 million).

Impairment losses on properties held for sale

The impairment losses on properties held for sale located in the Perfect Group Jewellery Industry Park in the PRC was approximately HK\$26.3 million for the year ended 31 December 2024 (for the year ended 31 December 2023: nil). With the overall industrial property market in the PRC remained subdued for the year ended 31 December 2024 and there was no significant improvement in the property market up to the date of this announcement, impairment losses on the properties held for sale were recognised for the year ended 31 December 2024.

Selling and distribution costs

The selling and distribution costs decreased from approximately HK\$13.6 million for the year ended 31 December 2023 to approximately HK\$12.6 million for the year ended 31 December 2024, representing a decrease of approximately HK\$1.0 million or 7.0%. The decrease was mainly due to the tightening control of selling expenditure of the Jewellery Business of the PRC subsidiaries during the year ended 31 December 2024.

General and administrative expenses

The general and administrative expenses was approximately HK\$45.9 million for the year ended 31 December 2024, remaining at a similar level compared with that for the year ended 31 December 2023 of approximately HK\$45.6 million.

Finance costs

The finance costs of approximately HK\$1.8 million for the year ended 31 December 2024 (for the year ended 31 December 2023: approximately HK\$1.1 million) related to interest expenses on bank loans and lease liabilities for the operations of the Jewellery Business, the Property Business and the Photovoltaic Power Generation and Energy Storage Business.

Share of result of a joint venture

Share of profit of a joint venture was approximately HK\$59,000 for the year ended 31 December 2024 (for the year ended 31 December 2023: share of loss of approximately HK\$35,000) of a joint venture, namely Zhaoqing Shunzhiguang Electric Power Technology Co., Ltd.* (肇慶順之光電力科技有限公司) (“**Zhaoqing Shunzhiguang**”), which represented the Group’s share of result of its 50% equity interests. The principal activity of Zhaoqing Shunzhiguang is photovoltaic power generation business.

Income tax credit/(expense)

Income tax changed from income tax expense of approximately HK\$9.1 million for the year ended 31 December 2023 to income tax credit of approximately HK\$11.5 million for the year ended 31 December 2024. The change is mainly due to (a) the reversal of the over-provision of PRC Tax in previous years; (b) the decrease in income tax expenses due to the decrease in taxable profit of the subsidiaries; and (c) the reversal of deferred tax in relation to recognition of impairment losses on properties held for sale during the year ended 31 December 2024.

Profit for the year

As a result of the above factors, the profit after taxation decreased from approximately HK\$34.2 million for the year ended 31 December 2023 to approximately HK\$9.9 million for the year ended 31 December 2024, representing a decrease of approximately HK\$24.3 million or 71.1%.

Financial position

Non-current Assets

The property, plant and equipment as at 31 December 2024 of approximately HK\$119.2 million (as at 31 December 2023: approximately HK\$93.4 million) mainly represented leasehold land and buildings of approximately HK\$53.5 million (as at 31 December 2023: HK\$57.5 million), plant and machinery of approximately HK\$53.4 million (as at 31 December 2023: HK\$32.4 million), furniture and fixtures, and motor vehicles of approximately HK\$2.7 million (2023: approximately HK\$3.5 million) and construction in progress of approximately HK\$9.5 million (2023: nil). The increase in property, plant and machinery was mainly due to the installation of photovoltaic equipment, and energy storage equipment and construction in progress for the Photovoltaic Power Generation and Energy Storage Business during the year ended 31 December 2024.

Current assets

The current assets decreased from approximately HK\$734.3 million as at 31 December 2023 to approximately HK\$647.5 million as at 31 December 2024, representing a decrease of approximately HK\$86.8 million or 11.8%. The decrease was mainly due to the net effect of (i) the decrease in inventories and trade receivables as a result of the decrease in sales from the Jewellery Business; (ii) the decrease in properties held for sale as a result of the recognition of the impairment losses on properties held for sale and the decrease in sales of properties from Property Business; and (iii) such impact was partially offset by the increase in bank deposits during the year ended 31 December 2024.

Current liabilities

The current liabilities decreased from approximately HK\$162.5 million as at 31 December 2023 to approximately HK\$143.1 million as at 31 December 2024, representing a decrease of approximately HK\$19.4 million or 11.9%.

The trade and other payables which amounted to approximately HK\$45.6 million as at 31 December 2024 (as at 31 December 2023: approximately HK\$56.5 million) comprised trade payables of approximately HK\$28.4 million (as at 31 December 2023: approximately HK\$32.5 million) and accruals and other payables of approximately HK\$17.2 million (as at 31 December 2023: approximately HK\$24.0 million). The accruals and other payables mainly consist of amounts payable for staff salaries and benefits and provision for certain construction obligations. The decrease in trade and other payables was mainly due to the settlement of balances and utilisation of the advance payments for the sales of properties during the year ended 31 December 2024.

Tax payables decreased from approximately HK\$76.9 million as at 31 December 2023 to approximately HK\$57.4 million as at 31 December 2024, representing a decrease of approximately HK\$19.5 million or 25.3%. The decrease is mainly due to a) reversal of the over-provision of the PRC tax in previous years; b) decrease in income tax expenses due to the decrease in taxable profit of the subsidiaries; and c) payment of tax during the year ended 31 December 2024.

Included in contract liabilities was mainly the deposit received from customers of the Jewellery Business and the Property Business, which amounted to approximately HK\$5.1 million as at 31 December 2024 (as at 31 December 2023: approximately HK\$4.1 million). The increase was mainly due to the increase in deposits from customers of the Jewellery Business.

Liquidity and financial resources

As at 31 December 2024, the current assets of the Group amounted to approximately HK\$647.5 million (as at 31 December 2023: approximately HK\$734.3 million). The reason for the decrease in current assets is set out in the paragraph headed “Current assets” above. As at 31 December 2024, the current liabilities of the Group amounted to approximately HK\$143.1 million (as at 31 December 2023: approximately HK\$162.5 million). Accordingly, the current ratio, which is the ratio of current assets to current liabilities, was approximately 4.5 as at 31 December 2024 (as at 31 December 2023: approximately 4.5).

As at 31 December 2024, bank deposits and cash and cash equivalents amounted to approximately HK\$112.9 million (as at 31 December 2023: approximately HK\$66.7 million) and HK\$44.8 million (as at 31 December 2023: approximately HK\$76.0 million), respectively.

As at 31 December 2024, the total interest-bearing bank loans amounted to approximately HK\$31.9 million (as at 31 December 2023: approximately HK\$25.0 million). The loans contained a repayment on demand clause and carried at variable interest rates per annum. The loans were denominated in RMB, being the functional currency of the respective operating subsidiary of the Group.

As at 31 December 2024, the Group did not use any financial instruments for hedging purpose.

In view of the financial position of the Group as at 31 December 2024 as illustrated above, the Directors believe that the Group has adequate working capital to support its ongoing operations and business development.

Gearing ratio

Based on total borrowings divided by equity attributable to owners of the Company, the gearing ratio was approximately 0.05 as at 31 December 2024 (as at 31 December 2023: approximately 0.04).

Charge on assets and guarantee

As at 31 December 2024, certain of the Group's buildings and properties held for sale with a net carrying amount of approximately HK\$4.4 million and HK\$43.3 million respectively (as at 31 December 2023: approximately HK\$4.6 million and HK\$44.9 million respectively) were pledged to secure a bank loan granted to a PRC subsidiary during the year ended 31 December 2024.

The Group has provided guarantee of approximately RMB45 million (equivalent to approximately HK\$47.9 million) (as at 31 December 2023: approximately RMB45 million (equivalent to approximately HK\$49.6 million) for credit facilities to a PRC subsidiary of the Group that would be released by bank upon full repayment of the loan.

Capital commitments

As at 31 December 2024, the Group had capital commitments in respect of the plant and machinery contracted but not provided for amounting to approximately HK\$6.9 million (as at 31 December 2023: approximately HK\$0.6 million).

Segment reporting

Details of the segment reporting of the Group for the year ended 31 December 2024 are set out in Note 2 to the consolidated financial statements.

Contingent liabilities

The Group provided guarantees amounting to approximately RMB2.8 million (equivalent to approximately HK\$3.0 million) as at 31 December 2024 (as at 31 December 2023: approximately RMB60.2 million (equivalent to approximately HK\$66.3 million)) to facilitate mortgage bank loan applications of the purchasers of the properties that were developed by the Group. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of registration of the relevant mortgaged properties. In the opinion of the Directors, the fair values of these guarantee contracts of the Group are insignificant at initial recognition and the Directors consider that the possibility of default of the parties involved is remote. Accordingly, no value has been recognised at the inception of the guarantee contracts and at the end of the reporting period as at 31 December 2024 and 31 December 2023.

Event after the reporting period

Subsequent to 31 December 2024 and up to the date of this announcement, there was no important event affecting the Group.

Material acquisitions and disposals of subsidiaries and affiliated companies

On 30 December 2024, Perfect Jewellery (China) entered into a disposal agreement with Ms. Zhu Fenghua* (朱風華), who is one of the shareholders of the associate and an independent third party, in relation to the disposal of the entire equity interests in Shenzhen Perfect Jewellery Culture Development Co., Ltd.* (深圳保發珠寶文化發展有限公司) (“**Shenzhen Perfect Jewellery Culture**”), which was an associate of the Company principally engaged in the jewellery business for a consideration of approximately RMB2.0 (equivalent to approximately HK\$2.2). The Disposal of Shenzhen Perfect Jewellery Culture was completed in December 2024 and Shenzhen Perfect Jewellery Culture has since ceased to be an associate of the Company, and Shenzhen Perfect Jewellery Culture’s financial results has no longer been included in the Group’s consolidated financial statements since then.

On 1 April 2024, Perfect Jewellery China disposed of its equity interest in Foshan Huaguanhui Property Management. Further details of the disposal are set out in paragraph heading “The Property Business” of this announcement.

Save as the above, there was no material acquisitions and disposals of subsidiaries and affiliated companies during the year ended 31 December 2024.

Employee and remuneration policy

As at 31 December 2024, the Group had a total of 133 employees (as at 31 December 2023: 159 employees) in Hong Kong and the PRC. The total salaries and related costs for the year ended 31 December 2024 amounted to approximately HK\$28.6 million (for the year ended 31 December 2023: approximately HK\$30.7 million).

The Group offers competitive remuneration package to incentivise the staff to improve their work performance. The Company has a share option scheme in place as a means of encouraging and rewarding eligible employees' (including Directors') contributions to the Group's performance and business developments based on their individual performance. The employees' remuneration, promotion and salary are assessed by reference to their work performance, working experiences, professional qualifications and the prevailing market practices.

The Group conducts a range of targeted training and development programs through various institutions to strengthen employees' skills and knowledge, with an aim to well equip them to cope with its development in the industry.

Future plans for material investments or capital assets

There was no plan authorised by the Board for any material investments or additions of capital assets as at 31 December 2024. The Group will continue to look for suitable opportunities for investments or acquisition of material capital assets to enhance its profitability in the ordinary course of its business.

Dividend

The Company did not declare any interim dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: Nil).

The Board proposes the payment of HK\$0.01 per share as the final dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: HK\$0.02 per share).

The proposed final dividend is subject to the approval by the Shareholders at the forthcoming annual general meeting of the Company. A notice convening the annual general meeting of the Company and advising the book closure dates for the purpose of determining the Shareholders' rights to attend and vote at the annual general meeting will be published and despatched to the Shareholders in due course.

Closure of register of members

In order to establish the identity of the Shareholders who are entitled to the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Thursday, 5 June 2025. The register of members of the Company will be closed from Friday, 6 June 2025 to Thursday, 12 June 2025, both days inclusive, during which period no transfer of shares will be registered. Subject to the approval by the Shareholders on the proposed final dividend at the annual general meeting to be held, the final dividend will be paid on or around Wednesday, 18 June 2025 to the Shareholders whose names appear on the register of members of the Company on Thursday, 12 June 2025.

Code on corporate governance practices

The Company is committed to maintaining good standard of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and responsibility. The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules. Since the date of listing of the shares of the Company on the Stock Exchange and up to the date of this announcement, the Company has met the applicable code provisions set out in Part 2 of the CG Code, except for the deviation from code provision C.2.1 of the CG Code as explained below. The Company will continue to enhance its corporate governance practices which are considered appropriate to the operations and growth of its business.

According to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The role of the chairman of the Board has been assumed by Mr. Kan Kin Kwong, who is also the chief executive officer of the Company. Mr. Kan, as the founder of the Group, has extensive experience and knowledge in the fine jewellery industry and is responsible for managing the overall operations of the Group and planning the business development and strategies. The Directors consider that vesting the roles of the chairman of the Board and the chief executive officer of the Company in the same individual is beneficial to the management and business development of the Group. The balance of power and authority is ensured by the operations of the Board and the senior management, which comprise experienced and high calibre individuals. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Model code for securities transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct for the Directors in their dealings in the securities of the Company. Having made specific enquiry of all Directors, the Directors complied with the Model Code and the Company’s code of conduct during the year ended 31 December 2024.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company’s memorandum and articles of association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Purchase, sale or redemption of listed securities

During the year ended 31 December 2024, the Company repurchased a total of 4,764,000 of its own ordinary shares on the Stock Exchange for an aggregate consideration of approximately HK\$0.9 million (before expenses) which were cancelled during the year ended 31 December 2024. As at 31 December 2024 and the date of this announcement, the total number of shares issued was and is 1,336,245,000.

Sufficiency of public float

Up to the date of this announcement, the Company has maintained a sufficient public float.

Audit committee

The audit committee of the Board (the “**Audit Committee**”) has been established in compliance with Rules 3.21 and 3.22 of the Listing Rules with written terms of reference in compliance with the CG Code. The primary roles of the Audit Committee include, but are not limited to, (a) making recommendations to the Board on the appointment, reappointment and removal of external auditors, and approving remuneration and terms of engagement of external auditors, and any questions of their resignation or dismissal; (b) monitoring integrity of the Company’s financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly report, and reviewing significant financial reporting judgements contained therein; and (c) reviewing the Company’s financial controls, and risk management and internal control systems. The Audit Committee has reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control, risk management and financial reporting matters. The annual results of the Group for the year ended 31 December 2024 have also been reviewed by the Audit Committee. The Audit Committee comprises three independent non-executive Directors namely, Mr. Wong Wai Keung Frederick, Dr. Ng Wang Pun Dennis and Ms. Ng Sin Kiu. Mr. Wong Wai Keung Frederick serves as the chairman of the Audit Committee.

Scope of works of the auditor

The figures above in respect of this annual results announcement for the year ended 31 December 2024 have been agreed with the Company's auditor, Moore CPA Limited ("Moore"), to be consistent with the amounts set out in the Group's consolidated financial statements for the year. The works performed by Moore in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore on this announcement.

Publication of annual results announcement and annual report

This annual results announcement is published on the Company's website (www.hkperjew.com.hk) and the Stock Exchange's website (www.hkexnews.hk).

The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will also be available at the Company's and the Stock Exchange's websites and despatched to the Shareholders in due course.

By order of the Board
Perfect Group International Holdings Limited
Kan Kin Kwong
Chairman

Hong Kong, 24 March 2025

As at the date of this announcement, the executive Directors are Mr. Kan Kin Kwong, Ms. Shek Mei Chun and Mr. Chung Chi Keung; and the independent non-executive Directors are Dr. Ng Wang Pun Dennis, Ms. Ng Sin Kiu and Mr. Wong Wai Keung Frederick.

** The English names of the companies established in the PRC represent management's translation of the Chinese names of such companies and are for information purpose only.*