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PERFECTECH INTERNATIONAL HOLDINGS LIMITED

威發國際集團有限公司*

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00765)

PROFIT WARNING

This announcement is made by the Company 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 board (the “**Board**”) of directors (the “**Directors**”) of the Company (together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the Board’s preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2023 and other information currently available to the Board, the Group is expected to record a consolidated loss before tax of not less than HK\$27,606,000 for the year ended 31 December 2023, representing an increase of 375%, as compared with the consolidated loss before tax of HK\$5,818,000 for the year ended 31 December 2022 mainly due to the net effect of the following:

- (1) the decline in sales of toy products which led to a significant decrease of approximately 12.2% in revenue and a decrease in gross profit margin from 34.7% to 32.2%;
- (2) absence of an one-off gain from settlement of other payables of HK\$3,319,755 recognised during the year ended 31 December 2022;

- (3) an approximately 9.5% increase in administrative expenses including staff costs and directors' emoluments which was mainly attributable to the increase in the average number of full time employees of the Group during the year ended 31 December 2023; and
- (4) the aforesaid has offset an approximately 184% increase in net foreign exchange gain as a result of the appreciation of United States Dollar.

The information contained in this announcement is only based on the preliminary information available to the Board and the preliminary assessment by the Board of the unaudited management accounts of the Group for the year ended 31 December 2023, which has not been audited by the Company's auditors or reviewed by the audit committee of the Company and is subject to possible adjustment. It should be noted that the Company is in the process of finalising its annual results for the year ended 31 December 2023 and the actual results may be different from the disclosure in this announcement.

Shareholders and potential investors are advised to read the annual results announcement of the Company for the year ended 31 December 2023, which is scheduled to be published on 28 March 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Perfectech International Holdings Limited
Li Shaohua
Executive Director

Hong Kong, 21 March 2024

As at the date of this announcement, the Board comprises of Mr. Li Shaohua, Mr. Poon Wai Yip, Albert and Mr. Fang Guohong as executive Directors, and Mr. Lau Shu Yan, Mr. Xie Xiaohong and Mr. Geng Jianhua as independent non-executive Directors.

** for identification purpose only*