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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)

**DISCLOSEABLE TRANSACTION
AND
CONTINUING CONNECTED TRANSACTIONS
WITH CONNECTED PERSONS AT SUBSIDIARY LEVEL**

This announcement is made by Perfect Group International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

Reference is made to the announcement of the Company dated 24 May 2023 (the “**2023 Announcement**”).

On 24 May 2023, Perfect Jewellery (China) Co. Limited (“**Perfect Jewellery (China)**”), an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement (the “**Agreement**”) with Jiangmen City Hongxin Construction Project Co., Ltd.* (江門市弘信建設工程有限公司) (“**Jiangmen City Hongxin**”), a company incorporated in the People’s Republic of China (the “**PRC**”) with limited liability and wholly-owned by Mr. Kan Kin Kwong (who is an executive Director and a controlling shareholder of the Company) (“**Mr. Kan**”) and acquired 55% equity interests in Guangdong Kaisi New Energy Co., Ltd.* (廣東愷斯新能源有限公司) (“**Guangdong Kaisi**”), a company incorporated in the PRC with limited liability from Jiangmen City Hongxin at a consideration of approximately RMB7.15 million. Guangdong Kaisi is principally engaged in the photovoltaic power generation business of the Group. For details of the transaction, please refer to the 2023 Announcement.

During the year ended 31 December 2024, Guangdong Kaichu New Energy Company Limited* (廣東愷儲新能源有限公司) (“**Guangdong Kaichu**”), an indirect non-wholly owned subsidiary of the Company established in the PRC to commence the energy storage business. Guangdong Kaichu provides energy storage service including grip peak and frequency regulation, emergency backup and energy storage capacity services, effectively improving the flexibility of the power grid operation and improving power quality for the customers.

Guangdong Guguang Electric Power Technology Co., Ltd.* (廣東顧光電力科技有限公司) (“**GGEP**”) and Guangdong Guguang New Energy Co., Ltd.* (廣東顧光新能源有限公司) (“**GGNE**”), are ultimately controlled by Ms. Lin Qiongzan* (林瓊簪) (“**Ms. Lin**”), who is the director of GCEP and GGNE. Ms. Lin is a director of Guangdong Kaisi and a substantial shareholder of both Guangdong Kaisi and Guangdong Kaichu through Foshan Yinzhuo Enterprise Management Co., Ltd.* (佛山市引卓企業管理有限公司) within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). Therefore, each of GGEP and GGNE is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

Although the Group indirectly holds 55% of Guangdong Kaisi and its subsidiaries and 70% of Guangdong Kaichu, as the total assets, profits and revenue of Guangdong Kaisi and its subsidiaries and Guangdong Kaichu were less than 10% of those of the Group for the latest three years up to and including the year ended 31 December 2023, each of Guangdong Kaisi and its subsidiaries and Guangdong Kaichu was an insignificant subsidiary of the Company for the purpose of Rule 14A.09(1) of the Listing Rules.

Based on the annual results of the Company for the year ended 31 December 2024 which was published on 24 March 2025, the aggregate net profits of Guangdong Kaisi and its subsidiaries and Guangdong Kaichu constitute more than 10% of those of the Group for the same period, accordingly, each of Guangdong Kaisi and its subsidiaries and Guangdong Kaichu are no longer insignificant subsidiaries of the Group for the purpose of Rule 14A.09 of the Listing Rules. This announcement is therefore made pursuant to Rule 14A.60 (1) of the Listing Rules.

On 1 April 2025 (after trading hours), Guangdong Kaisi and its subsidiaries and Guangdong Kaichu entered into a framework agreement for the construction contract for photovoltaic power generation project and engineering and installation construction for the energy storage project (the “**Framework Agreement**”) with each of GGEP and GGNE, pursuant to which each of GGEP and GGNE will provide the construction service for photovoltaic power generation project and engineering and installation construction service for energy storage project to Guangdong Kaisi and its subsidiaries and Guangdong Kaichu from time to time, for terms commencing respectively from 1 April 2025 to 31 December 2025 and from 1 January 2026 to 31 December 2026 (both days inclusive).

Details of the Framework Agreement are set out below.

Date: 1 April 2025

Parties: (a) Guangdong Kaisi and its subsidiaries;
(b) Guangdong Kaichu;
(c) GGEP; and
(d) GGNE

Nature of transaction: Pursuant to the Framework Agreement, the parties agreed that each of GGEP and GGNE will provide construction service for photovoltaic power generation project, and engineering and installation construction service for energy storage project to Guangdong Kaisi and its subsidiaries and Guangdong Kaichu. The Framework Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder.

Specific Agreements: It is envisaged that from time to time and as required, individual transaction agreements will be required to be entered into between the Guangdong Kaisi and its subsidiaries, Guangdong Kaichu, each of GGEP and GGNE. Each Specific Agreement may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the Framework Agreement.

Terms: From 1 April 2025 to 31 December 2025 (both days inclusive); and from 1 January 2026 to 31 December 2026 (both days inclusive)

PRICING POLICY AND OTHER TERMS

The prices for the construction service for photovoltaic power generation project and engineering and installation construction service for energy storage project to Guangdong Kaisi and its subsidiaries and Guangdong Kaichu will be determined among the parties from time to time on an arm's length basis and comparable to the prevailing market rates or at rates similar to those offered by independent third parties based on the standard price of photovoltaic power generation project and engineering and installation construction service for energy storage project.

The standard price of photovoltaic power generation project and engineering and installation construction service for energy storage project is determined by reference to the cost of photovoltaic equipment and energy storage equipment, construction cost, installation cost, labour cost, and other relevant costs required for each project. The final price for each project may be negotiated based on further detailed project requirements or specifications, including project location, energy demand, capacity and other prevailing market conditions etc, subject to the incorporation of a reasonable profit margin. The price for construction service for photovoltaic power generation project and engineering and installation construction service for energy storage project in each project under the Framework Agreement will be subject to review and approval by the relevant department of the Group to ensure that the above pricing policies are adhered to, and to check that such price will not be higher than the prices offered by independent third party supplier with similar project requirements and specifications, to ensure that the transactions under the Framework Agreement are on terms no less favorable than the terms available to independent third parties and are fair and reasonable and in the interest of the Company and its shareholders (the “**Shareholders**”) as a whole.

In light of the above, the Directors (including the independent non-executive Directors) consider that Framework Agreement is entered into in the usual and ordinary course of business of the Group, are conducted on an arm's length basis and on normal commercial terms between Guangdong Kaisi and its subsidiaries, Guangdong Kaichu, GGEP and GGNE, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS AND DETERMINATION OF ANNUAL CAPS

As each of GGEP and GGNE is a connected person of the Company at a subsidiary level, the transactions of construction service for photovoltaic power generation project and engineering and installation construction service for energy storage project constitute continuing connected transactions of the Company.

For the purpose of Rule 14A.53 of the Listing Rules, on 1 April 2025, the Board resolved to set an aggregate annual cap in respect of the annual aggregate maximum amount of construction service fee for photovoltaic power generation project and engineering and installation construction service fee for energy storage project payable by the Group to each of GGEP and GGNE for the construction services transactions are as follows:

For the period commencing from 1 April 2025 to 31 December 2025:

- (i) Construction service fee for photovoltaic power generation project: RMB8.0 million; and
- (ii) engineering and installation construction service fee for energy storage project: RMB4.0 million.

For the year ending 31 December 2026:

- (i) Construction service fee for photovoltaic power generation project: RMB5.0 million; and
- (ii) engineering and installation construction service fee for energy storage project: RMB6.0 million.

The aggregate annual caps for (i) the period commencing from 1 April 2025 to 31 December 2025 and (ii) the year ending 31 December 2026 were determined with reference to (i) the historical amount of transactions between Guangdong Kaisi and its subsidiaries and Guangdong Kaichu and each of GGEP and GGNE; (ii) the anticipated services to be provided by each of GGEP and GGNE for period commencing from 1 April 2025 to 31 December 2025 and the year ending 31 December 2026; and (iii) the potential increase in market prices.

The historical transaction amounts between Guangdong Kaisi and its subsidiaries and Guangdong Kaichu and each of GGEP and GGNE for the year ended 31 December 2023 and for the year ended 31 December 2024 were approximately RMB8.0 million and RMB25.5 million, respectively.

As the Board (including all the independent non-executive Directors) (i) have approved the transactions contemplated under the Framework Agreement; and (ii) have confirmed that the terms of the Framework Agreement are fair and reasonable and the transactions contemplated thereunder will be on normal commercial terms or better, conducted in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the transactions contemplated under the Framework Agreement and the annual cap for such transactions are subject to the reporting, annual review and announcement requirements but are exempted from the circular, independent financial advice and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Framework Agreement is more than 5% but less than 25%, the transactions contemplated thereunder constitute discloseable transactions under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements, but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INFORMATION ON THE GROUP AND PARTIES

The Group is principally engaged in (a) designing, manufacturing and sales of high-end fine jewellery (primarily mounted with diamonds) as well as metal refining and purifying process for jewellery; (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") as an integrated and comprehensive industry park; and (c) sales of electricity generated from the photovoltaic power generation system and provision of energy storage service.

Each of GGEP and GGNE, being limited liability companies established in the PRC, is principally engaged in providing construction service for photovoltaic power generation system and engineering and installation construction service for energy storage system.

REASONS FOR THE TRANSACTIONS

The principal business of the Group includes amongst others, sales of electricity generated from photovoltaic power generation system and the service income from energy storage system. The Directors, including the independent non-executive Directors, are of the view that the transactions of construction service for photovoltaic power generation system and engineering and installation construction service are on normal commercial terms, in the ordinary and usual course of business of the Company and assist in maintaining the Group's sustainable growth.

Taking into account the market prices, the expected project of the Group and the services to be provided by each of GGEP and GGNE for (i) the period commencing from 1 April 2025 to 31 December 2025; and (ii) the year ending 31 December 2026, the Directors, including the independent non-executive Directors, are of the view that the proposed aggregate annual caps in respect of the annual aggregate maximum amount of construction service fee for photovoltaic power generation project and engineering and installation construction service fee for energy storage project payable by the Group to each of GGEP and GGNE for the transactions of construction service for photovoltaic power generation project and engineering and installation construction service for energy storage project for (i) the period commencing on 1 April 2025 to 31 December 2025; and (ii) the year ending 31 December 2026 are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. None of the Directors have a material interest in the transactions of construction service for photovoltaic power generation project and engineering and installation construction service for energy storage project nor are they required to abstain from voting in the relevant board resolutions.

* 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.

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

Hong Kong, 1 April 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.