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MS GROUP HOLDINGS LIMITED

萬成集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1451)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of MS Group Holdings Limited (the “**Company**”) is pleased to present the audited annual consolidated financial results of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the corresponding period of 2023, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Revenue	2	421,091	233,990
Cost of sales		<u>(303,191)</u>	<u>(158,865)</u>
Gross profit		117,900	75,125
Selling expenses		(8,443)	(9,170)
Administrative expenses		(47,233)	(38,298)
Other income	4	828	768
Other (losses)/gains, net	5	<u>(916)</u>	<u>164</u>
Operating profit		62,136	28,589
Finance income		4,008	4,713
Finance expenses		<u>(972)</u>	<u>(662)</u>
Finance income, net		<u>3,036</u>	<u>4,051</u>
Share of result of associates	11	<u>(1,243)</u>	<u>(8,640)</u>
Profit before taxation		63,929	24,000
Taxation	6	<u>(14,543)</u>	<u>(7,718)</u>
Profit for the year		<u>49,386</u>	<u>16,282</u>

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Attributable to:			
— Equity holders of the Company		<u>49,386</u>	<u>16,282</u>
		<i>HK cents</i>	<i>HK cents</i>
Profit per share attributable to equity holders of the Company during the year			
Basic and diluted	7	<u>24.69</u>	<u>8.14</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year	49,386	16,282
Items that may be reclassified to consolidated income statement:		
Exchange translation differences	<u>(4,426)</u>	<u>(2,917)</u>
Total comprehensive income for the year attributable to:		
— Equity holders of the Company	<u>44,960</u>	<u>13,365</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		39,718	32,861
Right-of-use assets		5,901	1,704
Investment in associates	11	—	1,243
		<u>45,619</u>	<u>35,808</u>
Current assets			
Inventories		34,719	39,054
Trade and other receivables	9	90,543	44,786
Deposits and prepayments		3,175	9,200
Cash and cash equivalents		<u>114,515</u>	<u>126,294</u>
		<u>242,952</u>	<u>219,334</u>
Total assets		<u><u>288,571</u></u>	<u><u>255,142</u></u>
EQUITY			
Equity attributable to the Company's equity holders			
Share capital		20,000	20,000
Share premium		36,614	36,614
Other reserves		(4,970)	(2,520)
Retained earnings		<u>172,859</u>	<u>155,473</u>
Total equity		<u><u>224,503</u></u>	<u><u>209,567</u></u>

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,792	—
Deferred income tax liabilities		<u>7,568</u>	<u>4,985</u>
		<u>9,360</u>	<u>4,985</u>
Current liabilities			
Trade and other payables	10	34,472	36,269
Bills payables		8,174	—
Lease liabilities		4,176	1,767
Tax payable		<u>7,886</u>	<u>2,554</u>
		<u>54,708</u>	<u>40,590</u>
Total liabilities		<u>64,068</u>	<u>45,575</u>
Total equity and liabilities		<u><u>288,571</u></u>	<u><u>255,142</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and disclosure requirements of the Hong Kong Companies Ordinance (“HKCO”) (Cap. 622). The consolidated financial statements have been prepared on a historical cost basis.

(i) The adoption of amended standards and interpretation

In 2024, the Group adopted the following amended standards and interpretation which are relevant to its operations.

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK-Int 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Group has assessed the impact of the adoption of these amended standards and interpretation and considered that there was no significant impact on the Group’s results and financial position.

(ii) New standards and amendments to existing standards and interpretation that are not yet effective

		Effective for accounting periods beginning on or after
New standards and amendments		
HKAS 7, HKFRS 1, HKFRS 7, HKFRS 9 and HKFRS 10	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK-Int 5 (Amendments)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

The Group has not early adopted the above new standards and amendments and is in the process of assessing the impact of these new standards and amendments on the Group’s accounting policies and consolidated financial statements.

2 REVENUE

The Group is principally engaged in manufacturing and sale of plastic bottles and cups for infants and toddlers and plastic and stainless steel sports bottles to OEM Business customer, and customers under its own brand. An analysis of the Group's revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue from OEM Business customer products	417,306	221,914
Revenue from own brand products	3,785	12,076
	<u>421,091</u>	<u>233,990</u>

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used for making strategic decisions. The chief operating decision-maker is identified as the Executive Directors of the Company. The chief operating decision-maker consider the business from a product perspective and assess the performance of the operating segments based on a measure of gross profit for the purposes of allocating resources. No analysis of segment assets or segment liabilities is regularly provided to the chief operating decision-maker.

The management has identified two operating segments based on the types of products, namely (i) production and sales of plastic bottles and cups for infants and toddlers and plastic and stainless steel sports bottles to OEM Business customer and (ii) design, manufacture and sale of own brand infant products.

The segment information provided to the chief operating decision-maker for the year ended 31 December 2024 and 2023 is as follows:

	2024			2023		
	OEM Business customer products HK\$'000	Own brand products HK\$'000	Total HK\$'000	OEM Business customer products HK\$'000	Own brand products HK\$'000	Total HK\$'000
Segment revenue from external customers	417,306	3,785	421,091	221,914	12,076	233,990
Cost of sales	(300,420)	(2,771)	(303,191)	(150,231)	(8,634)	(158,865)
Gross profit	116,886	1,014	117,900	71,683	3,442	75,125
Selling expenses			(8,443)			(9,170)
Administrative expenses			(47,233)			(38,298)
Other income			828			768
Other (losses)/gains, net			(916)			164
Finance income, net			3,036			4,051
Share of result of associates			(1,243)			(8,640)
Profit before taxation			63,929			24,000
Taxation			(14,543)			(7,718)
Profit for the year			<u>49,386</u>			<u>16,282</u>

For the year ended 31 December 2024 and 2023, the Group recognised all revenue from contracts with customers on a point in time basis.

Geographical information

The Group's revenue is mainly derived from customers located in the United States of America ("US"), Italy and the People's Republic of China ("PRC"). The Group's revenue by the geographical location of the customers, determined based on the domicile countries of the customers, irrespective of the destinations of the goods, is detailed below:

	2024 HK\$'000	2023 <i>HK\$'000</i>
US	415,490	220,866
Italy	1,022	630
PRC	3,525	11,192
Others	1,054	1,302
	<u>421,091</u>	<u>233,990</u>

Major customers' information

The analysis of the Group's major customers, which a single external customer has contributed 10% or more to the Group's revenue, is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
The largest customer	323,164	145,523
The second largest customer	<u>85,436</u>	<u>67,828</u>

Non-current assets information

	2024 HK\$'000	2023 <i>HK\$'000</i>
Hong Kong	2,199	1,116
PRC	43,420	33,449
US	<u>—</u>	<u>1,243</u>
	<u>45,619</u>	<u>35,808</u>

4 OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Government grant	382	639
Sundries	<u>446</u>	<u>129</u>
	<u>828</u>	<u>768</u>

5 OTHER (LOSSES)/GAIN, NET

	2024 HK\$'000	2023 HK\$'000
Net foreign exchange gain	901	155
(Losses)/gains on disposal and write-off of property, plant and equipment	<u>(1,817)</u>	<u>9</u>
	<u>(916)</u>	<u>164</u>

6 TAXATION

	2024 HK\$'000	2023 HK\$'000
Current income tax		
Hong Kong Profits Tax	5,543	2,393
PRC enterprise income tax	<u>6,417</u>	<u>3,316</u>
	11,960	5,709
Deferred income tax	<u>2,583</u>	<u>2,009</u>
	<u>14,543</u>	<u>7,718</u>

For each of the years ended 31 December 2024 and 2023, Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the years. PRC enterprise income tax has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC.

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	63,929	24,000
Add: share of results of associates	<u>1,243</u>	<u>8,640</u>
Profit before tax and before share of results of associates	65,172	32,640
Calculated at a tax rate of 16.5% (2023: 16.5%)	10,753	5,386
Effect of different tax rates in other jurisdictions	3,098	1,774
Tax effect of expenses not deductible for tax purpose	1,256	1,076
Tax effect of income not taxable for tax purpose	(1,020)	(1,066)
Tax losses not recognised	<u>456</u>	<u>548</u>
Income tax expenses	<u>14,543</u>	<u>7,718</u>

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company during the year is based on the following data:

	2024	2023
Profit attributable to owners of the Company (HK\$'000)	49,386	16,282
Weighted average number of ordinary shares in issue (thousands)	200,000	200,000
Basic earnings per share (Hong Kong cents)	<u>24.69</u>	<u>8.14</u>

(b) Diluted earnings per share

Diluted earnings per share for the year ended 31 December 2024 and 2023 is equal to the basic earnings per share as the potential dilutive ordinary shares arising from exercise of the outstanding share options would be anti-dilutive.

8 DIVIDEND

	2024 HK\$'000	2023 HK\$'000
Interim dividend paid of HK3 cents per ordinary share (2023: Nil)	6,000	—
Interim special dividend paid of HK7 cents per ordinary share (2023: Nil)	14,000	—
Final dividend proposed of HK3 cents per ordinary share (2023: HK3 cents)	6,000	6,000
Final special dividend proposed of HK17 cents per ordinary share (2023: HK3 cents)	<u>34,000</u>	<u>6,000</u>
	<u>60,000</u>	<u>12,000</u>

The final dividend and final special dividend proposed after the end of the reporting period has not been recognised as a liability at 31 December 2024. The amount of the 2024 proposed final dividend and final special dividend is expected to be paid on Thursday, 26 June 2025 out of retained profit.

9 TRADE AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Trade receivables	76,949	40,888
Loss allowance	<u>(1,532)</u>	<u>(2,019)</u>
	75,417	38,869
Other receivables	15,126	3,660
Loan to an associate	<u>—</u>	<u>2,257</u>
	<u>90,543</u>	<u>44,786</u>

During the year, expected credit loss adjustment of HK\$2,257,000 is recognised on loan to an associate.

The credit period for the trade receivables for the Group's business generally ranges from 30 to 90 days. The ageing analysis of trade receivables by invoice date is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
0–30 days	54,507	31,545
31–60 days	19,212	3,277
61–90 days	457	800
Over 90 days	<u>1,241</u>	<u>3,247</u>
	<u>75,417</u>	<u>38,869</u>

10 TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 <i>HK\$'000</i>
Trade payables	9,468	12,656
Accruals and other payables	22,682	20,708
Contract liabilities	<u>2,322</u>	<u>2,905</u>
	<u>34,472</u>	<u>36,269</u>

The ageing analysis of trade payables based on invoice dates is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
0–30 days	5,559	8,372
31–60 days	2,437	2,798
61–90 days	—	2
Over 90 days	<u>1,472</u>	<u>1,484</u>
	<u>9,468</u>	<u>12,656</u>

11 INVESTMENT IN ASSOCIATES

	2024 HK\$'000	2023 HK\$'000
Associates	<u>—</u>	<u>1,243</u>

The share of net losses recognised in the consolidated income statement for the year ended 31 December 2024 included share of operating losses amounted HK\$166,000 (2023: HK\$4,287,000) before amortisation of intangible assets identified during the acquisition amounted HK\$1,077,000 (2023: HK\$3,231,000) and impairment loss of associates amounted HK\$nil (2023: HK\$1,122,000).

The Group discontinues recognising its share of further losses when its share of loss of associates exceeds its investment in associates. As at 31 December 2024, the Group has HK\$4,175,000 accumulated unrecognised share of loss for associates.

12 SHARE-BASED PAYMENTS

Share-based payments amounted HK\$1,976,000 (2023: HK\$388,000) was recognised in the consolidated income statement during the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the manufacture and sales of plastic bottles and cups for infants and toddlers and plastic and stainless steel sports bottles. The headquarters of the Group is located in Hong Kong while the production facilities of the Group are primarily situated in the PRC. The two business segments of the Group are:

- (i) the “OEM Business” which primarily comprises the production and sales of plastic bottles and cups for infants and toddlers and plastic and stainless steel sports bottles on an original equipment manufacturer (OEM) basis predominately for the overseas markets; and
- (ii) the “Yo Yo Monkey Business” which primarily comprises the production and sales of infant and toddler products, particularly plastic bottles and cups, under the brand developed by the Group known as “Yo Yo Monkey (優優馬騮)”, principally for the PRC market.

The macro-economy was still complicated, with different types of challenges in the post-pandemic era. During the year ended 31 December 2024, major factors affecting the global market included but not limited to the worldwide inflation trend and the military conflicts between Russia and Ukraine and also between Israel and Hamas. Moreover, the trade relation between the United States and the PRC was also clouded with further uncertainties following the presidential election of the United States. Despite under such economic climate, the business and financial performance of the Group recorded remarkable progress, mainly driven by the improvement in the OEM Business for the year ended 31 December 2024.

The OEM Business focuses on the overseas market, particularly the United States market, and was still the primary revenue and profit contributor to the Group for the year ended 31 December 2024. The OEM Business recorded a notable annual increment in its revenue for the year ended 31 December 2024. Such improvement was driven by the increased sales orders from existing customers, primarily because the Group has been proactively communicating with its major customers and was able to capture business opportunities in relation to the production of bottle models, particularly stainless steel sports bottles, during year 2024. The increment might also be attributable to the higher order volume from customers as they might plan to stockpile in case any potential trade war between the United States and the PRC materialises following the presidential election in the United States.

The Yo Yo Monkey Business, which primarily involves own-brand products, focuses on the PRC market and it continued to record a notable annual decline in sales in year 2024, mainly as a result of intensified local competition and poor industry sentiment, which was in turn caused by, among other factors, (i) the ongoing fierce price war in the local retail industry; (ii) the market trend where online shopping gained popularity but the Group was not yet able to successfully capture such sales; and (iii) the weakened consumer confidence due to factors including the unresolved real estate crisis in the PRC.

Overall, propelled by the enhancement in total revenue mainly attributable to the improvement in sale orders from the major OEM Business customers aforementioned, the net profit attributable to the Shareholders of the Group rose from approximately HK\$16.3 million for the year ended 31 December 2023 to approximately HK\$49.4 million for the year ended 31 December 2024, representing an increase of approximately HK\$33.1 million or approximately 203.3%.

OUTLOOK AND STRATEGIC PLAN

Given the variety and complexity of the ongoing global issues, the outlook of the industry and the businesses of the Group is difficult to envisage. On top of the military conflicts happening in different parts of the world, trade tensions (especially between the United States and the PRC) are expected to cause uncertainties and risks regarding the prospects of the Group, particularly the OEM Business. In the scenario where the United States introduce steep tariffs to the products of the Group, the OEM Business could be materially and adversely affected as the customers of the Group might reduce their procurements from the Group or request the Group to bear the tariffs, which would undermine the financial performance of the Group, such as potentially resulting in a severe reduction in revenue and profit margin of the Group in the upcoming financial period. Besides, the Yo Yo Monkey Business is also likely to continue to face challenges primarily because the price wars in the local markets do not currently show any sign of easing, which might even worsen if the PRC economy is adversely impacted by, among other factors, the real estate crisis. In addition, the low birthrate in the PRC in the past few years is also unfavourable to the Yo Yo Monkey Business as it may dampen the future market growth of infant products.

The Group will continue to pay close attention to the ever-changing market and, depending on the then circumstances, make corresponding business adjustments to cope with the environmental changes. For the OEM Business, fundamentally, the Group strives to (i) ensure the continuous provision of quality products and bolster the business relations with existing major customers; (ii) identify and reach out to new customers with a view to diversifying customer base on a worldwide basis to avoid over reliance on limited markets; and (iii) evaluate feasible means to enhance manufacturing capabilities and diversify product mix in respect of different types of bottles, especially the possibility to strengthen its capabilities in producing stainless steel sports bottles. For the Yo Yo Monkey Business, the Group has been trying to elevate its online sales through various internet platforms, with an aim to capture the online shopping trend in the PRC. In general, the Group has always been making every effort to minimise operating costs and expenses for the enhancement of profitability, such as via (i) further automatising and streamlining manufacturing cycles to minimise labour force and wasted resources to the extent possible, without jeopardising the quality of production; and (ii) carefully examining the effectiveness of administrative, selling and related expenses to eliminate unnecessary expenditures.

FINANCIAL REVIEW

Revenue

Revenue of the Group amounted to approximately HK\$421.1 million for the year ended 31 December 2024 (2023: approximately HK\$234.0 million), representing an increase of approximately 80.0% as compared with the preceding year. The increase was mainly attributable to the growth of the OEM Business.

- ***OEM Business***

For the year ended 31 December 2024, revenue generated from the OEM Business amounted to approximately HK\$417.3 million, representing an increase of approximately 88.0%, as compared to that of approximately HK\$221.9 million for the preceding year. For the year ended 31 December 2024, the two largest customers continued to be the major contributors of revenue for the OEM Business, where (i) the revenue generated from the largest customer of the Group amounted to approximately HK\$323.2 million (2023: approximately HK\$145.5 million), representing an increase of approximately 122.1%; and (ii) the revenue generated from the second largest customer of the Group amounted to approximately HK\$85.4 million (2023: approximately HK\$67.8 million), representing an increase of approximately 26.0%. The increase in revenue from the largest customer was primarily driven by the increased orders received for the production of stainless steel sports bottles, where the Group manufactured the plastic parts and procured the metallic parts to produce these products. Revenue from stainless steel sports bottles amounted to approximately HK\$212.4 million for the year 2024, representing a significant growth as compared with that of approximately HK\$14.9 million for year 2023. The overall increment might also be attributable to the higher order volume from customers as they might plan to stockpile in case any potential trade war between the United States materialises following the presidential election in the United States.

- ***Yo Yo Monkey Business***

For the year ended 31 December 2024, the Yo Yo Monkey Business recorded revenue of approximately HK\$3.8 million, representing a decline of approximately 68.7% as compared to that of approximately HK\$12.1 million for the preceding year. Such decline was mainly due to the fierce local competition, vigorous price war and poor industry sentiment in year 2024, where sales performance at offline retail stores recorded a decline while the Group was still on its way to improve its online sales business.

Gross profit

The overall gross profit of the Group was approximately HK\$117.9 million, representing an overall gross profit margin of approximately 28.0%, for the year ended 31 December 2024 as compared to that of approximately HK\$75.1 million, representing a gross profit margin of approximately 32.1%, for the year ended 31 December 2023. For the year ended 31 December 2024, the gross profit margin of the OEM Business was approximately 28.0% (2023: approximately 32.3%), such decrease in gross profit

margin was mainly attributable to the strategic shift in product mix, where stainless steel sports bottles (which have a lower gross profit margin as compared with other plastic products) accounted for a greater proportion of and was significant to the total revenue of the Group in 2024, as compared with that in 2023. The gross profit margin of the Yo Yo Monkey Business slightly decreased to approximately 26.8% (2023: approximately 28.5%) given the lower revenue resulted in reduced economies of scale.

Selling expenses

The Group incurred selling expenses of approximately HK\$8.4 million for the year ended 31 December 2024, representing a decrease of approximately 7.9% as compared to that of approximately HK\$9.2 million for the year ended 31 December 2023. Such decrease was mainly attributable to the reduction in employee benefit expenses, travelling expenses and marketing and promotional spending in year 2024 as part of the cost control measures of the Group.

Administrative expenses

The administrative expenses of the Group amounted to approximately HK\$47.2 million for the year ended 31 December 2024, representing an increase of approximately 23.3% as compared to that of approximately HK\$38.3 million for the year ended 31 December 2023. The increase in administrative expenses was mainly due to (i) an increment in expected credit loss adjustment on trade and other receivables by approximately HK\$2.2 million; (ii) an increase in amortization of share based payment by approximately HK\$1.6 million; and (iii) an increase in provision of year-end bonus by approximately HK\$2.2 million in year 2024.

Other income and gains/losses

The Group recorded net other income and losses of approximately HK\$88,000 for the year ended 31 December 2024, as compared to net other income and gains of approximately HK\$0.9 million for the year ended 31 December 2023. The net other income and losses in year 2024 were mainly attributable to losses on disposal and write-off of property, plant and equipment.

Finance income, net

The Group recorded net finance income of approximately HK\$3.0 million for the year ended 31 December 2024, as compared to that of approximately HK\$4.1 million net finance income for the year ended 31 December 2023. The finance expenses were mainly interest expenses for the utilisation of bill facilities and lease liabilities, whilst the finance income was primarily interest income from time deposits placed at banks. The Group did not purchase any financial product during the year ended 31 December 2024.

Share of result of associates

The Group recorded a share of losses of associates of approximately HK\$1.2 million for the year ended 31 December 2024 (2023: approximately HK\$8.6 million). The losses were attributable to share of operating loss amounting to approximately HK\$0.2 million (2023: approximately HK\$4.3 million) before share of amortisation of intangible assets amounting to approximately HK\$1.0 million (2023: approximately HK\$3.2 million) and no impairment loss of associate incurred for year 2024 (2023: approximately HK\$1.1 million). The Group discontinues recognizing its share of further losses when its share of loss of associates exceeds its investment in associates. As at 31 December 2024, the Group has approximately HK\$4.2 million accumulated unrecognised share of loss for associates.

Net profit

The Group recorded an improvement in net profit attributable to equity holders of the Company from approximately HK\$16.3 million for the year ended 31 December 2023 to approximately HK\$49.4 million for the year ended 31 December 2024 primarily due to the enhancement in revenue, which in turn was mainly attributable to the increase in sales orders from the major OEM Business customers aforementioned.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately HK\$114.5 million (2023: approximately HK\$126.3 million). The cash and cash equivalents of the Group as at 31 December 2024 were primarily denominated in Hong Kong dollars, Renminbi and United States dollars. The net decrease in cash and cash equivalents from 31 December 2023 to 31 December 2024 by approximately HK\$11.8 million was mainly attributable to (i) the payment of final dividend and final special dividend as stated in the announcement of the Company dated 21 March 2024 with an aggregate amount of approximately HK\$12.0 million; and (ii) the payment of interim dividend and interim special dividend as stated in the announcement of the Company dated 22 August 2024 with an aggregate amount of approximately HK\$20.0 million.

As at 31 December 2024, the Group maintained banking facilities of approximately HK\$30.0 million (2023: approximately HK\$30.0 million), which were partly utilised as bills facilities to settle payments to suppliers from time to time.

As at 31 December 2024, the gearing ratio of the Group (being total interest-bearing borrowings divided by total equity) was nil (2023: Nil).

CAPITAL COMMITMENT AND CAPITAL EXPENDITURE

As at 31 December 2024, the Group had no capital commitment (2023: Nil).

For the year ended 31 December 2024, the capital expenditure of the Group (being gross addition of property, plant and equipment) was approximately HK\$15.8 million (2023: approximately HK\$10.7 million). Such capital expenditure was primarily for the acquisition of new machineries and equipment.

FUNDING AND TREASURY POLICY

The Group had sufficient level of cash and banking facilities for the conduct of its trade in the normal course of business during the year ended 31 December 2024. The management will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of any future growth opportunities.

EXCHANGE RATE RISK

The transactions of the Group were primarily denominated in United States dollars, Renminbi and Hong Kong dollars. In particular, sales were primarily made in United States dollars whereas payments of staff wages and salaries were in Renminbi and Hong Kong dollars. The Group was exposed to exchange rate risk, especially from the fluctuation of the value of Renminbi.

For the year ended 31 December 2024, the Group recorded a gain on foreign exchange of approximately HK\$0.9 million (2023: gain on foreign exchange of approximately HK\$0.2 million).

The Group had not used any derivatives or financial instruments for hedging its exposure to foreign exchange risk during the year ended 31 December 2024. The management of the Company will continue to monitor the Group's foreign currency risk exposure and to ensure that it is kept at an acceptable level.

CHARGE ON ASSETS

None of the assets of the Group were pledged as at 31 December 2024 (2023: nil).

MATERIAL ACQUISITION, DISPOSAL AND INVESTMENT

The Group did not perform any material acquisition or disposal of subsidiaries, associates or joint ventures or investments during the year ended 31 December 2024. The Group did not hold any significant investment as at 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual results announcement, the Group did not have other plans for material investments and capital assets during the year ended 31 December 2024 and up to the date of this annual results announcement.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities, nor was aware of any pending or potential material legal proceedings involving the Group.

EVENTS AFTER THE YEAR

As at the date of this annual results announcement, there is no other material change or major event required to be disclosed by the Company after 31 December 2024.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2024, the Group had 818 full-time employees (2023: 626). The increase in the number of employees as at 31 December 2024 as compared to that of 31 December 2023 was mainly because of the higher demand for production workers (non-administrative staff) for manufacturing processes along with the improvement in the number of sales orders received in the year 2024.

Employees were remunerated and granted bonus based on their performance, work experience and prevailing market conditions. In compliance with statutory requirements in the PRC, the Group participated in a social insurance scheme and a housing provident fund. The social insurance scheme included pension insurance, medical insurance, maternity insurance, unemployment insurance and work injury insurance. For the Hong Kong employees, the Group contributed to the mandatory provident fund scheme as applicable. Employee benefit expenses of the Group in total for the year ended 31 December 2024 was approximately HK\$84.0 million (2023: approximately HK\$65.7 million).

The emoluments of the Directors were decided by the Board after recommendation from the remuneration committee of the Company, having considered factors such as the Group's financial performance and the individual performance of the Directors, etc.

The Group has adopted a share option scheme under which employees of the Group may be granted an opportunity to acquire equity interests in the Company in recognition of their contributions to the Group. On 7 June 2021, the Company granted 6,000,000 share options to the Directors, senior management and certain employees of the Group to subscribe for an aggregate of 6,000,000 Shares. On 27 May 2024, the Company granted 10,000,000 share options to the Directors and certain employees of the Group to subscribe for an aggregate of 10,000,000 Shares. For further details, please refer to the announcements of the Company dated 7 June 2021 and 27 May 2024 and note 12 to the consolidated financial statements of the Group in this annual results announcement.

PROSPECTS

The post-pandemic era is still complicated, with numerous challenges in different areas. Worldwide trade tensions, inflation trends and military conflicts are some of the key underlying causes that bring uncertainties and risks to the upcoming business performance of the Group. In particular, following the recent shift in the presidential administration in the United States, the trade relation between the United States and the PRC has become more unpredictable. Notwithstanding the aforesaid, the Group will continue to take a cautious approach to address any obstacles ahead, with a view to ensuring business sustainability for the road to come.

The OEM Business has been the core business segment, generating the majority of the total revenue of the Group. Its primarily focus is on the overseas markets, where a majority of its revenue has been derived from customers based in the United States that are mainly brand owners. Throughout the years, the Group has established recognition in the market with its craftsmanship and has built strong ties with its major customers. In year 2024, the Group leveraged on its industry edges and was able to successfully further capture the thriving demand of stainless steel sports bottle from an existing major customer, which drove the increase of the revenue from the OEM Business. However, the sustainability of product demand, the mix of product types and the profitability of the businesses of the Group are difficult to foresee as they depend on, among other matters, the then industry environment, product cycle and trade policies from time to time. Particularly, in the scenario where the United States imposes steep tariffs on the products of the Group, the OEM Business could be materially and adversely affected as the customers of the Group might reduce their procurements from the Group or request the Group to bear the tariffs, which would undermine the financial performance of the Group, such as potentially resulting in a severe reduction in revenue and profit margin of the Group in the upcoming financial period. In view of the potential challenges ahead, the Group maintains a prudent approach to mitigate market risks and proactively develop this core business segment. The principal strategies of the Group will primarily involve (i) ensuring the continuous provision of quality products and services to strengthen the bonds with existing customers, so as to obtain more sales orders, including for stainless steel sports bottles; (ii) liaising with potential customers, such as well-known bottle brands, on a worldwide basis with a view to expanding revenue stream and diversifying the present focus on the United States market; and (iii) exploring possible means to enhance the manufacturing capabilities for products, including but not limited to plastic sports bottle and stainless steel sports bottle, primarily for meeting the demands of existing customers and improving the margins of the relevant products.

The Yo Yo Monkey Business relies on the local PRC market. Its business performance has been, and is expected to continue to be, increasingly pressured by (i) the fierce local and online market competition, where price wars have hindered the Group to seize or maintain market share; and (ii) the shift of consumer purchasing habit from offline to online since the pandemic broke out, which has been unfavourable as the business has been primarily generating revenue through retail sales at physical stores in the PRC. Nevertheless, the Group believes the Yo Yo Monkey Business is still well positioned in the PRC market in view of, among other things, “Yo Yo Monkey (優優馬騮)” being one of the few quality baby brand products originated from Hong Kong with established market presence in the PRC. Moreover, in order to cope with the shifting in market landscape towards the e-commerce environment in the PRC, the Group has continuously exerted efforts to attempt to improve its internet business.

On top of organic growth from the existing businesses, the Group also carefully evaluates possibilities to boost growth via exploring suitable business and investment opportunities, including but not limited to (i) evaluating potential acquisition targets on a global basis, especially those that are able to bring production synergies to the Group; and (ii) assessing possible cooperation with business partners to form strategic alliances to accelerate the business development of the Group, such as for the stainless steel bottle products which drove the revenue growth of the Group in year 2024. In 2021, the Group made an investment to obtain 40% interest in BRH2 Plastics, LLC and, although BRH2 Plastics, LLC

has not yet generated profit to the Group as its performance was still suffering from the unfavourable local industry conditions, the Group expects it can generate more synergies when the overseas plastic manufacturing industry environment further improve.

The Group achieved flourishing results in year 2024 and the Group will continue to dedicate substantial efforts to further develop its businesses. Given the enormous size of the industry, the Group still has ample growth potential, but seizing market share remains a challenging mission. With solid experience accumulated in hand, the future development of the businesses of the Group still very much depends on, among other factors, (i) the adaptability of the Group to cope with the latest market circumstances, which include but not limited to making timely adjustments to product trends and product cycles; (ii) the ability of the Group to maintain and enhance customer and product base through proactive networking with existing and potential customers; and (iii) the capability of the Group, such as to equip itself with crucial know-hows, so as to be continuously competitive in the manufacturing industry. Despite the market's continuous changes, the Group is also ever-evolving, with the main goal of bringing the businesses of the Group on a path of sustainable success.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the year ended 31 December 2024. As of 31 December 2024, the Company did not hold any treasury share.

DIVIDENDS

The Board declared the payment of an interim dividend and an interim special dividend of HK3 cents and HK7 cents per Share, respectively, totaling HK10 cents per Share for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil), which were paid on 4 October 2024 to the Shareholders whose names appeared on the register of members of the Company on 11 September 2024.

The Board has recommended the payment of a final dividend and a final special dividend of HK3 cents and HK17 cents per ordinary share, respectively, totaling HK20 cents per ordinary share for the year ended 31 December 2024 (2023: HK6 cents), amounting to a total of HK\$40.0 million (2023: HK\$12.0 million), subject to approval of the Shareholders at the forthcoming annual general meeting (the "AGM"). Upon approval of the Shareholders, the proposed final dividend and final special dividend will be paid on or around Thursday, 26 June 2025. The payment of dividend, particularly the final special dividend, was recommended after considering (i) the existing level of cash and cash equivalents and the working capital requirements for future business development of the Group, where surplus cash can be returned to the Shareholders; (ii) the ability of the Group to remain profitable; and (iii) the appreciation for the support of the Shareholders.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, 26 May 2025. The notice of the AGM will be published on the websites of each of the Stock Exchange (www.hkexnews.hk) and the Company (www.mainsuccess.cn) in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in due course.

CLOSURE OF REGISTER OF MEMBERS

The Company will hold the AGM on Monday, 26 May 2025. The register of members of the Company will be closed from Wednesday, 21 May 2025 to Monday, 26 May 2025 (both days inclusive), during which period no transfer of Shares will be registered. The record date to determine the entitlement of the shareholders to attend and vote at the forthcoming AGM will be Monday, 26 May 2025. In order to qualify for attendance and voting at the forthcoming AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar and transfer office of the Company, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 May 2025.

For determining the entitlement to the proposed final dividend and final special dividend, the register of members of the Company will be closed from Friday, 30 May 2025 to Wednesday, 4 June 2025, (both days inclusive), during which period no transfer of Shares will be registered. The record date to determine the entitlement of the shareholders to receive the final dividend and final special dividend will be Wednesday, 4 June 2025. In order to qualify for the proposed final dividend and final special dividend, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong share registrar and transfer office of the Company, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 29 May 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding Directors’ securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules. The Company had made specific enquiries to all Directors and they had confirmed in writing their compliance with the required standard set out in the Model Code throughout the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) under Appendix C1 to the Listing Rules. During the year ended 31 December 2024, the Company had complied with all applicable code provisions set out in the CG Code.

REVIEW OF FINANCIAL INFORMATION

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been reviewed by the Company's audit committee and agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.mainsuccess.cn). The annual report of the Company for the financial year ended 31 December 2024 containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
MS Group Holdings Limited
Chau Ching
Chairman

Hong Kong, 25 March 2025

As of the date of this announcement, the executive Directors are Mr. Chau Ching, Mr. Chung Kwok Keung Peter, Mr. Chung Leonard Shing Chun, Mr. Chau Wai and Ms. Lo Siu Fun Helena; and the independent non-executive Directors are Mr. Yu Hon To David, Mr. Seto John Gin Chung and Mr. Asvaintra Bhanusak.