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YAN TAT GROUP HOLDINGS LIMITED
恩 達 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1480)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Yan Tat Group Holdings Limited (the "**Company**") presents the consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 together with the comparative figures for the previous year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
REVENUE	4	**579,537**	629,430
Cost of sales		**(433,347)**	(462,360)
Gross profit		**146,190**	167,070
Other income and gains	4	**31,073**	21,897
Selling and distribution expenses		**(20,210)**	(20,298)
General and administrative expenses		**(80,709)**	(77,085)
Other expenses		**(3,909)**	(1,728)
Finance costs	6	**(1,581)**	(568)
PROFIT BEFORE TAX	5	**70,854**	89,288
Income tax expense	7	**(10,544)**	(14,205)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**60,310**	75,083
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic and diluted		**HK25.1 cents**	HK31.3 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**60,310**	75,083
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(11,608)**	(9,000)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Change in fair value of a financial asset at fair value through other comprehensive income	**(121)**	(33)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	**(11,729)**	(9,033)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**48,581**	66,050

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**276,700**	274,447
Investment properties		**22,062**	25,844
Right-of-use assets		**5,788**	5,677
Deposits for purchases of items of property, plant and equipment		**10,935**	2,352
Deposits		**188**	116
Deferred tax assets		**9,445**	9,384
Financial asset at fair value through other comprehensive income		**3,726**	3,928
Total non-current assets		**328,844**	321,748
CURRENT ASSETS			
Inventories		**68,356**	56,449
Trade and bills receivables	*10*	**158,975**	188,953
Prepayments, deposits and other receivables		**9,926**	5,481
Tax recoverable		**343**	1,417
Pledged deposits		**24,030**	31,874
Cash and cash equivalents		**533,295**	462,796
Total current assets		**794,925**	746,970
CURRENT LIABILITIES			
Trade payables	*11*	**82,762**	88,407
Other payables and accruals		**78,083**	68,155
Interest-bearing bank borrowings		**26,996**	33,105
Lease liabilities		**1,613**	1,621
Tax payable		**18,829**	16,594
Total current liabilities		**208,283**	207,882
NET CURRENT ASSETS		**586,642**	539,088
TOTAL ASSETS LESS CURRENT LIABILITIES		**915,486**	860,836

	2024	2023
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**32,397**	–
Lease liabilities	**989**	569
Deposit received	**107,990**	110,350
Deferred tax liabilities	**22,260**	21,766
Deferred income	**6,621**	7,503
Total non-current liabilities	**170,257**	140,188
Net assets	**745,229**	720,648
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**2,400**	2,400
Reserves	**742,829**	718,248
Total equity	**745,229**	720,648

NOTES

31 December 2024

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 8 July 2014 as an exempted company with limited liability. The address of the registered office of the Company is Winward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Room 809–810, Kwong Sang Hong Centre, 151–153 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

During the year, the Group was principally engaged in the manufacture and sale of printed circuit boards.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In the opinion of the Directors, the immediate holding company and the ultimate holding company of the Company is Million Pearl Holdings Ltd., which is incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for a financial asset at fair value through other comprehensive income and investment properties which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's 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 nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group focuses primarily on the manufacture and sale of printed circuit boards during the year. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	2024	2023
	HK$'000	*HK$'000*
Mainland China	**246,912**	282,805
Europe	**104,016**	136,485
Hong Kong	**8,238**	3,620
North America	**55,805**	54,321
Asia (except Mainland China and Hong Kong)	**164,196**	149,465
Africa	**200**	2,710
Oceania	**170**	–
South America	**–**	24
Total revenue	**579,537**	629,430

The revenue information above is based on the locations of the customers who placed the orders.

(b) Non-current assets

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**3,895**	4,235
Mainland China	**300,655**	304,201
Total non-current assets	**304,550**	308,436

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue is set out below:

	2024	2023
	HK$'000	*HK$'000*
Customer A	**122,879**	146,514
Customer B	**76,764**	102,934

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Sale of goods	**579,537**	629,430
Other income		
Bank interest income	**19,984**	11,866
Rental income	**509**	568
Government grants^	**2,081**	2,037
Income linked to recycling	**3,964**	4,566
Others	**95**	65
	26,633	19,102
Gains		
Foreign exchange gains, net	**4,440**	2,795
	31,073	21,897

^ The government grants recognised during the year mainly represent grants received from certain government authorities of the People's Republic of China ("**PRC**") in recognition of the Group's efforts in environmental awareness and protection and technological development. There are no unfulfilled conditions or contingencies relating to these grants recognised during the year.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2024	2023
	HK$'000	*HK$'000*
Cost of inventories sold^@	**433,347**	462,360
Auditor's remuneration	**2,247**	2,225
Depreciation of property, plant and equipment	**27,450**	26,794
Depreciation of right-of-use assets	**1,943**	1,926
Employee benefit expense@ (including directors' and chief executive's remuneration):		
Wages, salaries, allowances, bonuses, commission and benefits in kind	**86,179**	84,455
Pension scheme contributions (defined contribution schemes)**	**237**	217
Other employee benefits	**8,760**	6,153
	95,176	90,825
Research and development costs##	**8,712**	6,755
Write-off of items of property, plant and equipment	**232**	112
Write-down/(reversal of write-down) of inventories to net realisable value^	**(59)**	820
Fair value loss on investment properties#	**3,280**	644
Reversal of impairment of trade and bills receivables	**(831)**	(1,041)
Loss on disposal of items of property, plant and equipment#	**–**	964
Foreign exchange differences, net*	**(4,440)**	(2,795)

* These gains are included in "Other income and gains" and the losses are included in "General and administrative expenses", as appropriate, in the consolidated statement of profit or loss.

\# The gain is included in "Other income and gains" and the loss is included in "Other expenses", as appropriate, in the consolidated statement of profit or loss.

@ Employee benefit expense of HK$49,640,000 (2023: HK$42,244,000) is included in "Cost of inventories sold" in the consolidated statement of profit or loss.

^ Write-down of inventories to net realisable value is included in "Cost of inventories sold" in the consolidated statement of profit or loss.

\## Research and development costs are included in "General and administrative expenses" in the consolidated statement of profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions. At 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: Nil).

6. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest on:		
Bank loans	**1,497**	473
Lease liabilities	**84**	95
	1,581	568

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The provision for land appreciation tax has been estimated according to the requirements set forth in the relevant PRC laws and regulations. Land appreciation tax has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

All subsidiaries of the Group established in the PRC are subject to PRC corporate income tax at a standard rate of 25% (2023: 25%) during the year, except for a subsidiary of the Group which qualified as a High and New Technology Enterprise in Mainland China and a lower PRC corporate income tax rate of 15% (2023: 15%) has been applied for the year.

	2024	2023
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the year	**2,709**	2,947
Current — Mainland China		
Charge for the year	**7,473**	8,839
Underprovision in prior years	**–**	262
Deferred	**362**	2,157
Total tax charge for the year	**10,544**	14,205

8. DIVIDEND

The Board recommended to declare a final dividend of HK6.0 cents (2023: HK10.0 cents) per ordinary share, equivalent to a total amount of HK$14,400,000 (2023: HK$24,000,000), for the year ended 31 December 2024.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount for the year attributable to ordinary equity holders of the Company is based on the profit for the year attributable to ordinary equity holders of the Company of HK$60,310,000 (2023: HK$75,083,000) and the weighted average number of ordinary shares of 240,000,000 (2023: 240,000,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during these years.

10. TRADE AND BILLS RECEIVABLES

	2024 ***HK$'000***	2023 *HK$'000*
Trade receivables	**144,746**	174,892
Bills receivable	**17,079**	17,803
	161,825	192,695
Impairment	**(2,850)**	(3,742)
	158,975	188,953

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance may be required. The Group maintains a defined credit policy and credit periods are usually granted ranging from one to four months from the month-end of the date of invoice to customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within one month	**66,727**	86,932
One to two months	**36,573**	46,838
Two to three months	**29,394**	28,692
Over three months	**26,281**	26,491
	158,975	188,953

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within three months	**65,883**	70,683
Three to six months	**9,453**	13,315
Over six months	**7,426**	4,409
	82,762	88,407

The trade payables are unsecured, non-interest-bearing and are normally settled within three months from the month-end of the date of invoice.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The printed circuit board, also known as "PCB", is mainly comprised of insulation base materials and conductors. PCBs, which support and connect electronic devices as they provide connection between electric components, are components required to combine a majority of electronic devices with electronics, machinery, and chemical materials. They are also given the name of "the mother of electronic products".

In 2024, the global economy continued to exhibit signs of insufficient momentum amid a slow recovery, characterized meanwhile by imbalanced growth and increasing fragmentation. Escalating geopolitical tensions, the spread of unilateralism and protectionism had cast a shadow over global growth prospects. According to the estimates by the International Monetary Fund, the global economic growth rate in 2024 is expected to be approximately 3.2%, lower than the 3.3% in 2023 and also below the pre-pandemic average in previous years.

Despite the threat of adverse factors such as geopolitics, protectionism and de-inventory, the global PCB output value was approximately US$80.3 billion in 2024, which is projected to reach US$96.6 billion in 2029, with a compound annual growth rate of 4.87% during the forecast period (2024–2029). In the long run, the PCB industry remains a critical link in the entire electronics industry chain. The booming development of 5G-related equipment, AI servers, new energy vehicles and other markets will drive the demand for PCB.

The PCB industry has been long established, with its early presence mainly concentrated in Europe, North America, and Japan. Due to the global migration of the electronics sector, Asia takes the lead in the PCB industry development on the globe. According to the information available, it was forecasted that the PRC's PCB output value would reach RMB412.1 billion in 2024 and was expected to achieve RMB433.3 billion in 2025, accounting for over 50% of the global market.

PCB is a necessary component of electronic products. With continuous technological advancements, the demand for PCBs is steady and is expected to grow continuously. The range of application of PCBs is extensive, including communication electronics, consumer electronics, computers, automotive electronics, industrial controller, medical devices, national defense and aerospace and other fields. In recent years, driven by the demands of emerging sectors such as 5G technology, new energy vehicles, Internet-of-Things, big data, cloud computing, energy conservation and environmental protection, and information security, good business opportunities will be maintained in the PCB market.

New energy vehicles and automobile electronics drive the growth of PCB demand. Automobile electronics has become a global trend, which promotes the rapid growth of automobile PCBs. PCBs are widely used in engine, control, safety, information and in-vehicle systems. Compared with conventional vehicles, the requirement of electronics for new energy vehicle is higher. The Internet of Things of electric smart vehicles is bound to drive the growth of the entire industry chain. Benefitting from the drive toward automotive intellectualization, the development of smart vehicle electrification and the development of three core systems (batteries, motors and electric) of new energy vehicles resulted in the considerable increase in the PCB value and volume of each vehicle. In view of the immense effort in promoting the development of new energy vehicle by countries around the world, resulting in an increase in the penetration rate of new energy vehicles and the growth of automotive electronics market, it shall create tremendous business opportunities to the PCB market in the future.

The new applications of PCBs will further drive the development of the PCB industry. The 5G technology deployment will significantly advance the progress of the PCB industry. With the construction and promotion of 5G networks, the demand for PCBs for communication facilities such as base stations, routers, switches, and backbone transmission equipment will increase significantly. According to the estimation of China Academy of Information and Communications Technology (CAICT), the direct output of 5G in 2030 will be RMB6.3 trillion, which will undoubtedly bring huge market space and development opportunities for China's PCB industry.

Although the PCB market has an encouraging prospect, it also faces numerous difficulties. As the PRC government has strengthened its efforts on environmental protection, manufacturing enterprises that fail to meet the requirements will be subject to rectification, or even replacement or suspension. As a result, compliant PCB manufacturers are required to increase investments in environmental engineering and wastewater treatment capacities, which undoubtedly adds weight on their operating costs.

Against the large-scale capacity expansion launched by many PCB manufacturers with excess capacity amid a growing number of new PCB manufacturers in recent years, the market has eventually become increasingly competitive, with the severe involution of PCB price in 2024, and the already slim profit margins are expected to further shrink.

The labor costs in China have been on the rise over the past decade, as corporate expenditure rises due to full implementation of policies on social security and public housing fund. A phenomenon of "recruitment difficulty, labor shortage" often appears in the developed coastal areas, in which case, recruitment of frontline employees, particularly seasoned technicians, becomes increasingly difficult. As a result, many domestic PCB enterprises gradually relocate their production bases to inland provinces and cities, or undergo comprehensive reform to accelerate the process of production automation and intellectualization to reduce the dependence on manpower and ensure the stability of quality.

In response to clients' requests for risk diversification and expansion into new markets, a trend of southbound investments appeared, with Thailand, Vietnam and Malaysia as the main choices. With the launch of various investment schemes, Thailand has become an emerging hub for the PCB industry, a development that is now firmly established. Due to the incomplete PCB supply chain in Southeast Asia, there has been a shortage of talent prior to the commencement of formal production. As compared to the comprehensive production support in the Mainland China, it is estimated that there will not be a significant decline in the PRC's PCB industry in a short period of time.

Business Review and Development

The Group is an original equipment manufacturer ("**OEM**") provider of PCBs and focuses on the production of quality PCBs, which meet industrial standards such as IPC Standards, as well as customers' requirements.

We focus on the conventional PCBs with a well-developed capacity to produce multi-layered and special material PCBs with primary applications in automobiles, communication equipment, medical devices, industrial automation equipment and consumer electronics.

Our continuous diversification of product mix and market coverage allowed the Group to swiftly cater for the changes in demand from certain sectors and adjust our production output accordingly, resulting in reduced reliance on a single product and market. Benefiting from the enormous business opportunities generated from automobile electronics in recent years, the proportion of our revenue generated from this sector is correspondingly higher.

Over the past 35 years of our operation, the Group has established a solid foundation and close relationship with our customers. The Group provided direct and indirect services to OEM customers across Asia, Europe, Africa, North America, South America and Oceania, who are engaged in various industries with many of them running in a multinational model. Certain of our major OEM customers are leading players in their markets. The Group supplied PCB products directly to a number of leading electronic manufacturing service providers, in order to assemble finished goods of OEM for the Group's indirect OEM customers. To date, the Group has built up long-term relationship with major customers, and some of them have been working with us for over a decade. The Company believed that these customers also considered the Group as their important partner for their supply chain. Therefore, our profound and long-term relationship with customers will enable the Group to know the trend of customers' demand more quickly.

The Group is of the view that product and process quality are integral to its business. The Group complies with various international quality standards and systems, including ISO9001, ISO14001 and IATF16949 certifications. The Group has put in place a number of quality measures and simplification plan to promote a culture of quality product. Quality is of paramount importance to the business of the Group and is regularly reviewed and improved by dedicated personnel to enhance customer satisfaction. In addition, the Group obtained AS9100 certification in 2009 to qualify for the provision of advanced and reliable PCBs for the aerospace industry. This is a testament to our product quality. From 2022, the Group complies with ISO 13485 certification, proving that the Group's quality management system complies with the production and sales requirement of circuit boards for medical equipment.

Apart from focusing on product quality, the Company also focuses on staff benefits. The Company passed the ISO45001 Occupational Health and Safety Management System Certification in 2023. Through the international standard certification process, we are able to identify deficiencies in the area of staff "Occupational Safety and Health", and focus on improvement and enhancement, so that our staff can work in a safe and healthy environment.

The high production cost continued to affect the PCB industry in 2024. Followed by the sweep of emission limits and environmental protection measures across China, PCB manufacturers are facing steep challenges. As a PCB manufacturer, the Group needs to formulate appropriate responses and increase the capital input in respect of environmental protection resulting in the set-off of part of the profits of the Group.

Although China remains to be the “World Factory”, labor costs are no longer as low as a decade before and have gradually increased. In addition, the labor supply is insufficient in the coastal areas. The Group enhanced its production automation, promoted the use and flow of production information, optimized and improved costs and quality which could eventually lead the Group to develop towards intelligent production in the future.

In 2024, amid protectionism, geopolitical tensions, inventory buildup and the influence of various adverse factors, the global economy underperformed compared to 2023. The PCB industry is closely tied to global economic developments, and with the exception of certain ones involved in the AI market, most of the PCB manufacturers have kept abreast with the trends in the overall context. The Group has been focusing on the PCB business for more than 35 years, its accumulated experience and network are conducive to its development in the PCB market and its ability to respond to changes. With the rapid progress of the urbanization in Shenzhen, the Shenzhen Pingshan District Government has also made strategic planning for promoting its local development. Given the increased labor costs in Shenzhen and the need to maintain competitiveness and respond to the future change in the planned use of the current production area of Yan Tat Printed Circuits (Shenzhen) Co., Ltd., after consultation with the Board and the professional advisers, the Group plans to establish another production base in areas outside Pingshan, Shenzhen or in the Southeast Asia to support the long-term development of the Group. Apart from the Group’s headquarters in the PRC and the research and development department which will remain located in Pingshan District, Shenzhen, the bulk production capacity of the Group will be relocated gradually to the new production base. Meanwhile, the Group will also consider from time to time the development of opportunities to maximize the interests for its shareholders.

Financial Review

in HK$'000	**2024**	2023
Revenue	**579,537**	629,430
Gross profit	**146,190**	167,070
Earnings before interest, taxes, depreciation and amortisation ("**EBITDA**")	**81,844**	106,710
Net profit	**60,310**	75,083

The Group's revenue for the year of 2024 was approximately HK$579.5 million, representing a decrease of approximately 7.9% compared to that of the previous year, which was primarily attributable to the drop in sales orders.

The Group's gross profit for the year of 2024 was approximately HK$146.2 million, representing a decrease of approximately 12.5% compared to that of the previous year. The Group's gross profit margin for the year ended 31 December 2024 was approximately 25.2%, representing a decrease of approximately 1.3% compared to approximately 26.5% for the year ended 31 December 2023. The decrease in gross profit margin was mainly due to the increment in production costs.

The Group's total operating expenses for the year of 2024 were approximately HK$100.9 million, representing an increase of approximately 3.6% compared to approximately HK$97.4 million for the previous year, primarily due to the increase in general and administrative expenses.

The Group's EBITDA amounted to approximately HK$81.8 million for the year of 2024 as compared to approximately HK$106.7 million for the previous year.

As a result of the foregoing, the Group recorded a profit attributable to ordinary equity holders of the Company of approximately HK$60.3 million for the year of 2024 as compared to approximately HK$75.1 million for the previous year.

Other income and gains

Other income and gains increased by approximately HK$9.2 million, or 42.0%, to approximately HK$31.1 million for the year ended 31 December 2024 from approximately HK$21.9 million for the year ended 31 December 2023, primarily due to the increase in bank interest income of approximately HK$8.1 million and the increase in net foreign exchange gains of approximately HK$1.6 million.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately HK$0.1 million, or 0.5%, to approximately HK$20.2 million for the year ended 31 December 2024 from approximately HK$20.3 million for the year ended 31 December 2023. The decrease was primarily due to the net effect of the decrease in commission of approximately HK$1.3 million and the increase in transportation cost of approximately HK$1.0 million.

General and administrative expenses

General and administrative expenses increased by approximately HK$3.6 million, or 4.7%, to approximately HK$80.7 million for the year ended 31 December 2024 from approximately HK$77.1 million for the year ended 31 December 2023. The increase was primarily due to the increase in legal and professional fee of approximately HK$2.5 million and the increase in consultancy fee of approximately HK$1.1 million.

Other expenses

Other expenses increased by approximately HK$2.2 million, or 129.4%, to approximately HK$3.9 million for the year ended 31 December 2024 from approximately HK$1.7 million for the year ended 31 December 2023. The increase was primarily due to the increase in fair value losses on investment properties.

Finance costs

Finance costs increased by approximately HK$1.0 million, or 166.7%, to approximately HK$1.6 million for the year ended 31 December 2024 from approximately HK$0.6 million for the year ended 31 December 2023, primarily due to the increase in bank loan interest resulting from an increase in bank borrowings during the year ended 31 December 2024.

Profit attributable to ordinary equity holders of the Company

The Group recorded profit attributable to ordinary equity holders of the Company of approximately HK$60.3 million for the year ended 31 December 2024 compared to approximately HK$75.1 million for the year ended 31 December 2023, representing a decrease of approximately 19.7%. The decrease of profit attributable to ordinary equity holders of the Company was mainly due to the net effect of the decrease in gross profit of approximately HK$20.9 million, the increase in other income and gains of approximately HK$9.2 million, the increase in general and administrative expenses of approximately HK$3.6 million, the increase in other expenses of approximately HK$2.2 million, and the decrease in income tax expense of approximately HK$3.7 million.

Property, plant and equipment

The net carrying amount as at 31 December 2024 was approximately HK$276.7 million, representing an increase of approximately HK$2.3 million from that of 31 December 2023. This was mainly due to the net effect of (i) the depreciation of approximately HK$27.5 million with respect to the Group's property, plant and equipment in the current year, (ii) the exchange realignment loss of approximately HK$6.3 million due to the depreciation of RMB against HKD and (iii) the total additions and transfer in during the year of approximately HK$36.2 million.

Trade and bills receivables

There was a decrease in trade and bills receivables of approximately HK$30.0 million as at 31 December 2024 as compared to that as at 31 December 2023, which was mainly due to the decrease in sales in the fourth quarter of 2024 as compared to the fourth quarter of 2023.

Trade payables

There was a decrease in trade payables as at 31 December 2024 of approximately HK$5.6 million as compared to that as at 31 December 2023, which was mainly due to the decrease in purchases in the fourth quarter of 2024 as compared to the fourth quarter of 2023.

Bank borrowings

The Group had bank borrowings as at 31 December 2024 in the sum of approximately HK$59.4 million, representing an increase of approximately HK$26.3 million from the sum of approximately HK$33.1 million as at 31 December 2023. The main reason for the increase in borrowings was mainly due to the addition of bank borrowings during the year. No financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments.

Liquidity and financial resources

As at 31 December 2024, the Group had current assets of approximately HK$794.9 million (2023: HK$747.0 million) including cash and cash equivalents and pledged deposits totalling approximately HK$557.3 million (2023: HK$494.7 million). As at 31 December 2024, the Group had non-current liabilities of approximately HK$170.3 million (2023: HK$140.2 million), and its current liabilities amounted to approximately HK$208.3 million (2023: HK$207.9 million), consisting mainly of payables arising in the normal course of operations and bank borrowings for financing of production facilities. Accordingly, the Group's current ratio, being the ratio of current assets to current liabilities, was around 3.8 as at 31 December 2024 (2023: 3.6).

Gearing ratio

The gearing ratio of the Group, calculated as total borrowings over total equity, was approximately 0.08 as at 31 December 2024 (2023: approximately 0.05).

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year of 2024. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risks, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign exchange exposure

As at 31 December 2024, we had cash and cash equivalents, pledged deposits, trade and bills receivables, trade payables, other payables and interest-bearing bank borrowings which are denominated in currencies other than Hong Kong dollar, and consequently we have foreign exchange exposure from translation of amounts denominated in foreign currencies as at the reporting date. During the year ended 31 December 2024, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its foreign currency exposure.

Capital structure

There has been no change in the capital structure of the Company during the current and previous years. The capital of the Company is comprised of ordinary shares and capital reserves.

Capital commitments

As at 31 December 2024, capital commitments of the Group amounted to approximately HK$27.7 million (2023: HK$6.4 million). The increase was mainly due to the Group entered into new agreements to purchase machinery and equipment during the year.

Dividend

The Board recommended the payment of a final dividend of HK6.0 cents per share for the year ended 31 December 2024 (2023: HK10.0 cents per share).

The proposed dividend is subject to approval by the shareholders of the Company at the annual general meeting to be held on Friday, 30 May 2025 and, if approved, is expected to be paid on or about Thursday, 3 July 2025 to shareholders whose names appear on the register of members of the Company on Wednesday, 11 June 2025. The dividend is declared and will be paid in Hong Kong dollars.

Information on employees

As at 31 December 2024, the Group had 746 employees (2023: 739 employees), including the executive Directors. Total employee benefit expense (including Directors' remuneration) was approximately HK$95.2 million, as compared to approximately HK$90.8 million for the year ended 31 December 2023. Remuneration is determined with reference to market norms and individual employee's performance, qualification and experience.

On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as the individual's performance. Other staff benefits include contributions to the Mandatory Provident Fund scheme in Hong Kong and various welfare plans including the provision of pension funds, medical insurance and other relevant insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the existing policy requirements of the local PRC government as well as share options.

The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme adopted by the Company on 18 November 2014 ("**Share Option Scheme**") where options to subscribe for shares may be granted to the Directors and employees of the Group.

The Company did not grant any share option under the Share Option Scheme during the current and prior years. The Share Option Scheme was valid and effective for a period of 10 years from the adoption date of 18 November 2014, and has expired on 17 November 2024.

Significant investments held

As at 31 December 2024, the Group did not hold any significant investment.

Future plans for material investments and capital assets

On 8 May 2020, the Group entered into, amongst others, a cooperation agreement for the urban renewal project (the "**Urban Renewal Project**") located at our production base in Pingshan District, Shenzhen, the PRC. The entering into of the cooperation agreement and the transactions thereunder have been approved by the shareholders of the Company at the extraordinary general meeting on 14 July 2020. As disclosed in the Company's announcements dated 24 June 2022, 14 October 2022, 1 December 2022 and 12 April 2023, payment schedule of certain payment installments under the Urban Renewal Project has been postponed at the request of the counterparty. However, such payment installments have become due from and payable by the counterparty, and remain outstanding as at the date of this announcement. No further agreement has been made between the parties to further postpone the payment schedule nor the milestones of the Urban Renewal Project as at the date of this announcement. The Company will continue to follow up with the counterparty on, among other things, the status of the outstanding payment installments and the subsequent arrangements of the cooperation agreement. For details, please refer to the Company's announcements dated 15 May 2020, 14 July 2020, 24 June 2022, 14 October 2022, 1 December 2022 and 12 April 2023, and the circular dated 24 June 2020.

On 24 February 2025, the Group entered into a sale and purchase agreement with a vendor (being an independent third party) in relation to the purchase of a land parcel and the buildings erected thereon in Selangor, Malaysia (the "**Property Acquisition**") for a total consideration of Ringgit Malaysia 43,750,000 (equivalent to approximately HK$76,562,500), subject to the fulfilment of certain conditions precedent and the terms and conditions set out therein. As at the date of this announcement, the completion of the Property Acquisition has not yet been materialised. For further details, please refer to the announcement of the Company dated 24 February 2025. The Company will publish a circular containing, among other things, further details of the Property Acquisition and other information required to be disclosed under the Listing Rules, and further announcement(s) in relation to the Property Acquisition as and when necessary pursuant to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

On 18 March 2025, the Group entered into certain construction agreements with an independent third party constructor, pursuant to which the constructor agreed to provide electrical and mechanical works and interior works services to the Group at an aggregate consideration of US$2,772,286 (equivalent to approximately HK$21,568,385). For further details, please refer to the announcement of the Company dated 18 March 2025.

Save as disclosed in this announcement, and except for potential further investments and/or acquisitions of capital assets which may be considered necessary by the Group in connection with the expansion of its production base to Malaysia following the Share Acquisition (as defined below) and the Property Acquisition (the "**Expansion Plan**"), the Group had no future plans for material investments or capital assets as at 31 December 2024. The Group will continue to assess its operational needs and business development strategy from time to time, and any such future investments or acquisitions will be subject to the evolving circumstances arising from the Expansion Plan.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During the year ended 31 December 2024, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

On 21 February 2025, the Group entered into sale and purchase agreements with certain independent third parties (the "**Selling Shareholders**") in relation to the acquisition by the Group of the entire issued share capital of Denshi Maruwa Industries (M) Sdn. Bhd. ("**Denshi Maruwa**", a private limited company incorporated in Malaysia, which is principally engaged in manufacturing PCBs) for an aggregate consideration of US$1.1 million (the "**Share Acquisition**") subject to the fulfilment of certain conditions precedent and the terms and conditions set out in the relevant sale and purchase agreements. The completion of the Share Acquisition will be implemented in tranches, and as at the date of this announcement, the Group has completed the acquisition of 53.4% of the issued share capital in Denshi Maruwa.

Charges on assets

As at 31 December 2024, certain assets of the Group as set out below were charged to secure banking facilities granted to the Group:

(i) investment property of the Group amounting to approximately HK$4.0 million (2023: HK$5.8 million).

(ii) pledged deposits with banks amounting to approximately HK$24.0 million (2023: HK$31.9 million).

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2024 (2023: Nil).

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

During the year, neither did the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

EVENTS AFTER THE REPORT DATE

Save as disclosed in this announcement, there were no significant events after the reporting period up to the date of this announcement.

CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the annual general meeting of the Company ("**AGM**") to be held on Friday, 30 May 2025, the register of members will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 May 2025.

In addition, to determine shareholders' entitlement to the dividend, the register of members will be closed from Friday, 6 June 2025 to Wednesday, 11 June 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlements to the dividend, all completed transfers documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on Thursday, 5 June 2025.

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

From the 1 January 2024 and up to the date of this results announcement, the Company had complied with the code provisions ("**Code Provision**") set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiries to all the Directors, the Company was not aware of any non-compliance with the required standard of dealings set out in the Model Code and its code of conduct regarding securities transactions by Directors during the year ended 31 December 2024.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive Directors, namely Mr. Yau Wing Yiu, Mr. Lau Shun Chuen and Mr. Chung Yuk Ming.

The audit committee has met the auditor of the Company, Ernst & Young, and reviewed the Group's annual results for the year ended 31 December 2024. The audit committee opines that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

SCOPE OF WORK OF INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.yantat.com. The annual report of the Company for the year ended 31 December 2024 containing all information required by the Listing Rules will be published on the above websites in due course.

By order of the Board of
Yan Tat Group Holdings Limited
CHAN Yung
Chairman

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises Mrs. CHAN Yung and Mr. CHAN Yan Wing as executive Directors; Mr. CHAN Yan Kwong as non-executive Director; Mr. CHUNG Yuk Ming, Mr. LAU Shun Chuen and Mr. YAU Wing Yiu as independent non-executive Directors.