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TAYANG 大洋
TA YANG GROUP HOLDINGS LIMITED
大洋集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1991)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Ta Yang Group Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024, together with the audited comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	970,061	1,213,830
Cost of sales		(853,474)	(1,120,813)
Gross profit		116,587	93,017
Other income and net gain		13,770	42,404
Selling and distribution expenses		(24,384)	(35,839)
Administrative expenses		(120,611)	(149,287)
Finance costs		(28,281)	(30,549)
Impairment losses under expected credit loss model, net of reversal		(9,406)	(4,347)
Loss before tax		(52,325)	(84,601)
Income tax expense	5	(814)	(1,108)
Loss for the year	6	(53,139)	(85,709)
Loss for the year attributable to:			
Owners of the Company		(63,632)	(88,035)
Non-controlling interests		10,493	2,326
		(53,139)	(85,709)
Loss per share	8		
Basic and diluted (<i>HK cents</i>)		(4.87)	(6.74)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year	<u>(53,139)</u>	<u>(85,709)</u>
Other comprehensive (expenses)/income		
Item that will not be reclassified subsequently to profit or loss:		
Fair value loss on financial assets at fair value through other comprehensive income	<u>(2,302)</u>	<u>(200)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	21,699	17,667
Release of exchange reserve upon disposal of subsidiaries	<u>2,603</u>	<u>–</u>
	<u>24,302</u>	<u>17,667</u>
Other comprehensive income for the year	<u>22,000</u>	<u>17,467</u>
Total comprehensive expense for the year	<u><u>(31,139)</u></u>	<u><u>(68,242)</u></u>
Attributable to:		
Owners of the Company	(43,754)	(69,568)
Non-controlling interests	<u>12,615</u>	<u>1,326</u>
Total comprehensive expense for the year	<u><u>(31,139)</u></u>	<u><u>(68,242)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		46,203	68,387
Right-of-use assets		65,399	121,789
Investment properties		16,000	21,000
Goodwill		20,552	22,718
Financial assets at fair value through other comprehensive income		11,203	2,957
Financial assets at fair value through profit or loss		–	495
Interests in associates		–	–
Deferred tax assets		400	441
Loan receivables		54,566	52,435
Deposits		16,268	15,927
Total non-current assets		230,591	306,149
Current assets			
Inventories		30,673	38,074
Trade and other receivables	9	286,122	276,971
Loan receivables		56,711	49,968
Bank balances and cash		11,924	28,024
Total current assets		385,430	393,037
Current liabilities			
Trade and other payables	10	327,014	344,280
Income tax payables		14,886	16,711
Borrowings		164,392	148,351
Lease liabilities		14,151	17,291
Total current liabilities		520,443	526,633
Net current liabilities		(135,013)	(133,596)
Total assets less current liabilities		95,578	172,553

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Capital and reserves		
Share capital	131,347	130,677
Reserves	<u>(99,999)</u>	<u>(56,245)</u>
Equity attributable to owners of the Company	31,348	74,432
Non-controlling interests	<u>(949)</u>	<u>(6,856)</u>
Total equity	<u>30,399</u>	<u>67,576</u>
Non-current liabilities		
Borrowings	17,909	10,760
Lease liabilities	8,680	54,865
Deferred income	1,601	1,760
Deferred tax liabilities	1,959	2,784
Convertible bond	<u>35,030</u>	<u>34,808</u>
Total non-current liabilities	<u>65,179</u>	<u>104,977</u>
	<u>95,578</u>	<u>172,553</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Basis of preparation

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

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). Other than those subsidiaries established in the People’s Republic of China (the “**PRC**”) and the United Kingdom of Great Britain and Northern Ireland (the “**UK**”) whose functional currencies are Renminbi (“**RMB**”) and Pound Sterling (“**GBP**”) respectively, the functional currency of the Company and its other subsidiaries is HK\$. As the Company is listed in Hong Kong, the directors of the Company (the “**Directors**”) consider that it is appropriate to present the consolidated financial statements in HK\$.

Going concern basis

The Group incurred a net loss of HK\$53,139,000 (2023: HK\$85,709,000) during the year ended 31 December 2024 and, as of that date, the Group had net current liabilities of HK\$135,013,000 (2023: HK\$133,596,000). In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group and its available sources of finance to continue as a going concern. The Directors considered that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements. Certain measures have been and are being taken to manage its liquidity needs and to improve its financial position, including but not limited to the following:

- (i) The Group has undrawn credit facilities amounting to approximately HK\$130,000,000 from a financial institution for its working capital requirements for the next 18-months from 21 March 2025, which will be drawn as and when required;
- (ii) Subsequent to the end of the reporting period, the Group obtained and drew down loans with a principal amount totaling approximately HK\$11,600,000, carrying an interest rate ranging from 5.50% to 6.10% per annum from banks, available for the Group’s working capital and financial obligations. The credit facilities will mature 12 months after the end of the reporting period;
- (iii) The Group will continue to carry out cost control measurement in forthcoming years, including but not limited to reduce discretionary expenses and administrative costs. On the other hand, the Group will continue to explore various strategies to improve the Group’s operating cash inflows including putting extra efforts in the collection of trade receivables; and
- (iv) The Group will explore possible fund-raising opportunities including but not limited to issuance of new shares, right issues or open offer and issuance of convertible bonds where appropriate.

In light of the measures and arrangements as described above, the Directors consider that the Group will have sufficient working capital to meet their financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern basis, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date to be determined
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all of the other new and amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The Directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. REVENUE

Revenue represents fair value of the consideration received or receivable and for goods sold and services rendered in the normal course of business to customers, net of discounts and sales related taxes.

Revenue recognised for the year are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue		
Sales of silicone rubber and related products – point in time	244,030	226,082
Retail services – point in time	98,870	75,674
Online marketing solution services – point in time	627,161	912,058
Healthcare and hotel services – over time	–	16
	<u>970,061</u>	<u>1,213,830</u>

4. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chief operating decision maker (the "CODM"), being the chief executive officer of the Company, for the purpose of resource allocation and performance assessment (with a focus on the type of goods or services delivered or provided) are as follows:

- (a) Silicone rubber and related products – manufacturing and sale of silicone rubber and related products;
- (b) Retail services – providing retail services in the UK;
- (c) Healthcare and hotel services – providing healthcare and hotel services in the PRC; and
- (d) Online marketing solution services – provision of online marketing solution services in the PRC

During the year ended 31 December 2023, the Group commenced the business engaging in online marketing solution services in the PRC, and it is considered as a new reportable and operating segment by the CODM.

No operating segment identified by the CODM has been aggregated in arriving at the reportable segment of the Group.

Segment revenues and results

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

2024

	Silicone rubber and related products <i>HK\$'000</i>	Retail services <i>HK\$'000</i>	Healthcare and hotel services <i>HK\$'000</i>	Online marketing solution services <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE					
External sales	<u>244,030</u>	<u>98,870</u>	<u>–</u>	<u>627,161</u>	<u>970,061</u>
Segment results	<u>13,050</u>	<u>1,444</u>	<u>(7,992)</u>	<u>3,781</u>	<u>10,283</u>
Unallocated income					15,246
Unallocated expenses					<u>(77,854)</u>
Loss before tax					<u>(52,325)</u>

2023

	Silicone rubber and related products <i>HK\$'000</i>	Retail services <i>HK\$'000</i>	Healthcare and hotel services <i>HK\$'000</i>	Online marketing solution services <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE					
External sales	<u>226,082</u>	<u>75,674</u>	<u>16</u>	<u>912,058</u>	<u>1,213,830</u>
Segment results	<u>11,242</u>	<u>(26,619)</u>	<u>(11,176)</u>	<u>6,512</u>	<u>(20,041)</u>
Unallocated income					3,317
Unallocated expenses					<u>(67,877)</u>
Loss before tax					<u>(84,601)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit earned by/(loss from) each segment without allocation of certain other income and net gain, directors' emoluments and central administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment revenues reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended 31 December 2024 and 2023.

5. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current taxation		
Provision for the year		
– PRC Enterprises Income Tax	55	220
– UK Corporate Tax	1,552	880
	<u>1,607</u>	<u>1,100</u>
Deferred taxation		
Current year	(793)	8
	<u>814</u>	<u>1,108</u>

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit.

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

Taxation arising in the UK is calculated at the rates of 19% (2023: 19%).

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

6. LOSS FOR THE YEAR

	2024 HK\$'000	2023 HK\$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration		
– Audit services	1,750	1,280
Cost of inventories sold (<i>Note</i>)	243,916	226,099
Traffic acquisition and monitoring costs (included in cost of sales)	609,558	894,714
Depreciation of right-of-use assets	19,331	18,430
Depreciation of property, plant and equipment	9,452	11,206
Directors' emoluments	6,930	7,840
Staff costs (excluding directors' emoluments)	112,129	108,181

Note: Cost of inventories sold includes approximately HK\$61,610,000 (2023: HK\$69,350,000) relating to written off of inventories, staff costs, depreciation of property, plant and equipment and depreciation of right-of-use assets, and such amounts are also included in the respective total amounts disclosed separately above.

7. DIVIDENDS

No dividend was paid or proposed for the years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2024 and 2023.

	2024	2023
Loss for the year attributable to owners of the Company (HK\$'000)	<u>(63,632)</u>	<u>(88,035)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,307,170</u>	<u>1,306,767</u>

For the years ended 31 December 2024 and 2023, the computation of diluted loss per share does not assume the exercise of the Company's share options and the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share.

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the share allotment on 10 December 2024.

9. TRADE RECEIVABLES

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

	2024 HK\$'000	2023 HK\$'000
0 to 90 days	41,605	47,138
91 days to 1 year	<u>12,014</u>	<u>9,169</u>
	<u>53,619</u>	<u>56,307</u>

10. TRADE PAYABLES

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

	2024 HK\$'000	2023 HK\$'000
Within 30 days or on demand	11,508	15,294
31 to 90 days	13,548	12,751
91 days to 1 year	26,669	29,874
Over 1 year	<u>2,957</u>	<u>4,048</u>
	<u>54,682</u>	<u>61,967</u>

EXTRACTS OF INDEPENDENT AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2024 which contains a paragraph emphasizing on the material uncertainty related to going concern, the opinion of which has not been modified.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the HKFRSs issued by the HKICPA and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 1 to the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$53,139,000 during the year ended 31 December 2024 and, as of that date, the Group had net current liabilities of approximately HK\$135,013,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The directors of the Company are considering a number of financing measures as set forth in note 1 to improve the Group's liquidity and financial position and consider that the Group will have sufficient working capital to finance its operations and to fulfil its financial obligations as and when they fall due in the foreseeable future upon successfully implementing these measures. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2024, the Group was primarily engaged in (i) the designing and manufacturing of silicone rubber products (“**Silicone Rubber Business**”); (ii) the provision of international digital marketing services (“**Digital Marketing Business**”); (iii) the operation of retail business in the UK (“**Retail Business**”); and (iv) the provision of healthcare and hotel services (“**Healthcare and Hotel Business**”).

In 2024, the global economy experienced a gradual recovery in overall growth rates after several years of turbulence. The trade activities in major economies such as China, the United States, and the European Union have been driven by gradual restoration of international supply chains, the rebound in market demand, and the change in trade policies among countries. As the Group’s core business, the Silicone Rubber Business has provided high-quality silicone rubber products to customers in China, Japan, the United States and Europe, maintaining stable levels in both domestic sales and export shares. The overseas Retail Business, through continuous operational exploration, completed an asset restructuring in the second half of 2024. While ensuring sustained and stable operations, it will leverage e-commerce models to expand its sales channels. The Digital Marketing Business, as a new segment of the Group, continued to provide efficient advertising and digital marketing services for brands and clients. Looking back over the past year, despite facing numerous uncontrollable external factors, the Group actively pursued business development, continuously innovated and broke through challenges, striving to maximize revenue and profits through resource integration. For the upcoming year, the Group has resolved to (i) broaden the range of silicone rubber products, expand the application of new silicone technologies, and enhance brand influence; (ii) maintain existing customer resources, provide precise advertising services and internet marketing solutions, and improve segment profitability; and (iii) operate the overseas retail business by leveraging the emerging advantages of overseas e-commerce platforms to fully expand sales performance.

For the year ended 31 December 2024, the results of the Group recorded: (i) revenue of approximately HK\$970,061,000 (2023: approximately HK\$1,213,830,000), representing a decrease of approximately 20.08% compared to the same period in 2023; (ii) an annual loss of approximately HK\$53,139,000 (2023: approximately HK\$85,709,000), reflecting a reduction of approximately 38.00% compared to the same period in 2023; and (iii) a loss per share of approximately HK4.87 cents (2023: approximately HK6.74 cents), representing a decrease of approximately 27.74% compared to the same period in 2023.

Silicone Rubber Business

For the year ended 31 December 2024, the Silicone Rubber Business remained one of the Group's primary revenue sources, consistently providing stable cash flow. With over three decades of expertise in silicone rubber production, the Group has focused on high-standard manufacturing and delivering premium-quality products, earning the trust of customers worldwide over the years. As a traditional manufacturing operator, the Group operates two factories located in Dongguan and Huzhou, China, which feature expansive facilities and advanced machinery. Additionally, the factories' research and development teams have been dedicated to exploring new applications of silicone materials across various fields, integrating traditional silicone production with cutting-edge silicone technologies. The primary products of the Silicone Rubber Business include silicone components, medical devices, consumer electronics and accessories, automotive parts, sports equipment components, maternal and infant products, kitchenware, and beauty products. As China is the world's largest producer and exporter of silicone rubber, its silicone products hold a significant share in the global market. The Group is the only listed company in Hong Kong with silicone rubber as its core business, which has enabled it to maintain strong partnerships with numerous renowned brands over the years. The Group continues to supply high-quality silicone rubber products to major manufacturers, with its products distributed across multiple countries and regions in Asia, Europe, and the Americas.

International Digital Marketing Business

The International Digital Marketing Business is a new segment that the Group ventured into in 2023. Unlike traditional manufacturing, digital marketing is a modern approach driven by the continuous development of internet big data and artificial intelligence. The growth of this business has been fueled by technological advancements, changes in consumer behavior, and evolving market demands. In recent years, an increasing number of consumers prefer to choose online shopping as their primary daily purchasing channel, while the usage and reliance on social media have grown significantly. As a result, major brands and businesses have shifted their marketing focus to mainstream social media platforms and large e-commerce platforms.

The Digital Marketing Business adeptly addresses the internet marketing needs of businesses by leveraging vast amounts of customer data to analyze user behavior, interests, and preferences across different demographics. This enables precise advertising placements and personalized marketing strategies. In practice, digital marketing has helped various businesses accurately target customer groups and achieve profit conversion, making it one of the most recognized marketing methods today.

The Group has invested in Jusheng Technology Co., Ltd. in 2023. Jusheng Technology is a professional digital marketing service company specializing in advertising agency services, media operation consulting, and more. Its current clientele includes businesses and brands from industries such as finance, gaming, automotive, education, and fast-moving consumer goods (FMCG). Jusheng Technology offers creative advertising content for online platforms,

campaign management, media placement channels, and scenario-based marketing strategies, providing effective digital marketing solutions to drive corporate sales. Since its establishment, Jusheng Technology has delivered high-quality integrated marketing services to many well-known domestic brands, including Jiangzhong Group, Yunnan Baiyao, and Fan Deng Reading. For details of the said investment, please refer to the announcements of the Company dated 24 August 2023 and 28 September 2023.

As a new segment of the Group, the International Digital Marketing Business has been steadily accumulating premium client resources and gaining a deep understanding of customer needs. Its business model has gradually matured, and the segment contributed significantly to the Group's sales in 2024, becoming another pillar of the Group's operations.

Retail Business

For the year ended 31 December 2024, the Group successfully restructured and reorganized its UK retail operations. The UK supermarket has been rebranded as EKAU (UK) Limited, positioning itself as a lifestyle supermarket. It offers a variety of selections of popular food and daily necessities from China, Japan, South Korea, Southeast Asia, and other regions. The product range includes food (such as snacks, pastries, frozen foods, condiments, and fresh produce), daily and personal care products, household cleaning supplies, and home decor. Additionally, the supermarket provides fast food and specialty beverages with Chinese, Japanese, and Korean flavors, bringing authentic and diverse Eastern elements to local consumers.

Healthcare and Hotel Business

For the year ended 31 December 2024, the Healthcare and Hotel Business has been identified as a segment of lower strategic importance. Currently, operations in this segment are at a standstill.

OUTLOOK

Looking ahead, the Group remains committed to driving growth and innovation across its core business segments while exploring new opportunities to enhance profitability and market presence.

Silicone Rubber Business

For a long time, as the world's largest producer and exporter of silicone, China has held a significant position in the global silicone manufacturing market. Silicone is widely used in industries such as electronics, healthcare, automotive, construction, and consumer goods due to its excellent properties, including high-temperature resistance, corrosion resistance, insulation, and biocompatibility.

In 2025, driven by high-tech industries such as new energy, 5G communications, and medical devices, the demand for silicone across various sectors is expected to continue rising. For instance, in new energy vehicles, silicone is extensively used for battery sealing and thermal management systems, while in 5G communication equipment, it is utilized for insulating and protecting high-frequency signals. The Group will actively respond to the changing market demand for silicone products. While continuing to provide high-quality silicone products to long-term clients, the Group will closely monitor trends and developments in upstream and downstream industries.

Therefore, the Group will further invest in the research and development of new silicone rubber technologies, with a focus on innovation, market expansion, and sustainable development as its operational goals. In 2025, leveraging its existing advanced manufacturing processes and robust internal control systems, the Group will enhance the versatility, environmental friendliness, diversity, and durability of its products. It will also comprehensively upgrade and explore the demand for silicone products in emerging industries, ensuring it remains at the forefront of technological and market advancements.

Digital Marketing Business

With the rise of short video culture, video advertising on social media has become a new mainstream marketing method to attract consumers. The Group's Digital Marketing Business will continue to serve various manufacturers and brands, providing customized traffic delivery solutions for clients in need. By leveraging big data to precisely target consumers, the Group aims to achieve the highest conversion rates.

Additionally, the Digital Marketing Business will expand its service offers, such as establishing long-term collaborations with influential internet celebrities. These collaborations could utilize the credibility of these influencers on social media platforms to conduct targeted marketing and promotions for clients. Overall, internet marketing and traffic delivery will evolve towards precision, personalization, innovation, and immersive experiences.

The Group will closely monitor the development trends of the digital marketing industry and adapt its strategies flexibly to keep pace with the ever-evolving internet marketing landscape. By staying ahead of industry changes, the Group aims to maintain its competitive edge and deliver exceptional value to its clients.

Retail Business

After undergoing the asset restructuring of our retail operations in the UK, the Group will continue to develop the existing supermarket brand, diversify product categories, and refine our operational systems. By reasonably reducing operating costs, we aim to achieve expanded revenue. Our UK supermarket business has already established a foundation in London, with a stable customer base that possesses strong purchasing power. However, the presence of other retail supermarkets in nearby areas has somewhat diluted purchasing power. Therefore, the Group will focus on strengthening product selection and understanding the consumption

preferences to enhance customer loyalty. We are committed to building a premium brand image for our supermarkets in the long term, leveraging a mature and efficient supply chain to bring popular products to the UK market.

Healthcare and Hospitality Business

In 2025, the Group will continue to integrate and dispose of related assets in this segment.

Other Potential Business Opportunities

In recent years, the Group has been actively exploring new business areas. As an important part of the Group's strategic planning, the UK entertainment live-streaming business began preparations at the end of the year and is expected to officially launch in the second half of 2025. With the growing attention on the live-streaming industry overseas, the Group has keenly identified the growth potential of the UK entertainment live-streaming market and has started laying the groundwork for its MCN (Multi-Channel Network) business. This business focuses on incubating high-quality entertainment live-streaming content, aiming to create a widely influential live-streaming platform through precise market positioning and localized operational strategies. The launch of this business marks the Group's further expansion into the digital content sector.

The development of the UK entertainment live-streaming business will also create strong synergies with the Group's existing digital marketing operations. On one hand, the MCN business will provide the digital marketing segment with rich, high-quality content resources, further enhancing the Group's competitiveness in the digital advertising space. On the other hand, the mature channels and client resources of the digital marketing business will offer traffic support and brand promotion advantages for the MCN business, accelerating the growth of the entertainment live-streaming operations.

In 2025, the Group plans to recruit and professionally incubate a group of influential entertainment hosts through multiple channels. By delivering high-quality content and precise traffic management, the Group aims to rapidly increase user engagement and market influence on the platform. Additionally, the Group will continue to invest in technological research and development to optimize the live-streaming experience, further enhancing user participation and retention.

The Group believes that this business will become a new growth engine and lay a solid foundation for its long-term development in the digital content sector.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the Group recorded total revenue of approximately HK\$970,061,000 (2023: approximately HK\$1,213,830,000), representing a decrease of approximately 20.08% compared to the same period in 2023.

Silicone Rubber Business

Revenue for the year ended 31 December 2024, was approximately HK\$244,030,000 (2023: approximately HK\$226,082,000), accounting for approximately 25.16% of the Group's total revenue (2023: approximately 18.63%).

Digital Marketing Business

Revenue for the year ended 31 December 2024, was approximately HK\$627,161,000 (2023: approximately HK\$912,058,000), accounting for approximately 64.65% of the Group's total revenue (2023: approximately 75.1%).

Retail Business

The retail segment showed notable growth, with revenue of approximately HK\$98,870,000 for the year ended 31 December 2024 (2023: approximately HK\$75,674,000), accounting for approximately 10.19% of the Group's total revenue (2023: approximately 6.2%).

Healthcare and Hospitality Business

Performance in this segment remained weak, with revenue of approximately HK\$0 for the year ended 31 December 2024 (2023: approximately HK\$16,000).

Gross Profit

For the year ended 31 December 2024, gross profit was approximately HK\$116,587,000 (2023: approximately HK\$93,017,000), representing a (significant) increase of approximately 25.34% compared to the same period in 2023. The gross profit margin for the year was approximately 12% (2023: approximately 7.7%).

Other Income and Net Gains

Other income and net gains for the year ended 31 December 2024, amounted to approximately HK\$13,770,000 (2023: approximately HK\$42,404,000), a decrease of approximately 67.53% compared to the same period in 2023.

Expenses

Selling and distribution expenses for the year ended 31 December 2024, were approximately HK\$24,384,000 (2023: approximately HK\$35,839,000), a decrease of approximately 31.96% compared to the same period in 2023.

Administrative expenses for the year ended 31 December 2024, were approximately HK\$120,611,000 (2023: approximately HK\$149,287,000), a decrease of approximately 19.21% compared to the same period in 2023.

Loss Attributable to Owners of the Company

For the year ended 31 December 2024, the Group recorded a loss attributable to owners of the Company of approximately HK\$63,632,000 (2023: loss of approximately HK\$88,035,000), representing a reduction in loss of approximately 27.72% compared to the same period in 2023. The loss per share for the year was approximately HK4.87 cents (2023: approximately HK6.74 cents), a reduction in loss of approximately 27.74% compared to the same period in 2023.

KEY RISKS AND UNCERTAINTIES

The Group's operations, financial position, and prospects are subject to various risks and uncertainties. The risk factors outlined below may directly or indirectly cause the Group's operating performance, financial position, and development prospects to differ significantly from expectations or past performance. These factors are not exhaustive, and there may be other risks and uncertainties not yet identified by the Group or currently not apparent, but which may become significant in the future.

Business Risks

In the long term, the performance of the Group's silicone rubber business may be affected by fluctuations in raw material prices, changes in market demand for finished products, and international trade barriers. For example, the silicone rubber business requires inventory of raw materials, and the Group has not entered into any significant contracts to hedge against price fluctuations. Therefore, any price volatility in raw materials could pressure the Group's costs and affect the competitiveness of its products. Failure to adapt to and successfully address changing demand and raw material supply could adversely impact business performance and development prospects. Additionally, some countries and regions have imposed trade barriers on Chinese silicone products, such as anti-dumping duties and technical trade barriers. The Group needs to actively address these challenges by improving product quality, strengthening brand building, and diversifying its markets.

The digital marketing business relies heavily on internet marketing and traffic promotion as its primary source of revenue. It is somewhat influenced by internet regulatory policies and depends on the stability of client relationships. Therefore, the Group must ensure compliance with regulatory rules, stay aligned with broader marketing trends, and enhance its competitiveness and client satisfaction.

As many products sold by the retail business are sourced from overseas, the segment has high supply chain demands. Reliance on imported products means that changes in logistics costs, international situations, and tariff policies could affect product costs and sales cycles. Additionally, the low entry barriers in the retail industry result in intense competition, including price wars that may compress profit margins. Exchange rate fluctuations may also impact the profitability of the supermarket business.

Industry Risks

All of the Group's business segments operate in highly competitive industries. The silicone rubber business faces competition not only from other silicone rubber products but also from new material products. As competitors expand product categories, reduce prices, improve quality, or launch promotions, competition may intensify. If the Group fails to compete effectively with existing or new competitors, it may not be able to maintain its current business scale and operating performance. Meanwhile, the digital marketing business, being internet-based, could face significant operational challenges if macro policies impose stricter regulations or higher entry barriers on the internet marketing sector.

Credit Risks

As of 31 December 2024, the Group's total current assets amounted to approximately HK\$385,430,000, while total current liabilities were approximately HK\$520,443,000. The Group's bank balances and cash are tight compared to its current liabilities. If receivables are not fully recovered, the Group may not have sufficient resources to repay its short-term debts.

Event Risks

Event risks refer to risks arising from unexpected events such as natural disasters or industrial accidents that could negatively impact the Group's operating performance and financial position. Such events may disrupt the Group's operations, increase the prices of raw materials and outsourced services, and exacerbate other risks and uncertainties faced by the Group. Due to the unpredictability of such event risks, there is no guarantee that the Group's response measures will be sufficient.

LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 December 2024, the Group's major source of funds was cash generated from operating and financing activities, and the Group's liquidity remained stable compared with the corresponding period in 2023.

	2024	2023
Cash and cash equivalents (HK\$'000)	11,924	28,024
Current ratio	0.74	0.75
Quick ratio	0.68	0.67
Gearing ratio*	6.00	3.03

* The gearing ratio of the Group was calculated by dividing total borrowings by total equity.

CAPITAL STRUCTURE

For the year ended 31 December 2024, there was no change to the authorised share capital of the Company which is HK\$2,000,000,000 dividable into 20,000,000,000 Shares in the par value of HK\$0.1 each.

As at 31 December 2024, the Company had issued a total of 1,313,467,000 Shares in the par value of HK\$0.1 each, and all Shares were fully paid and rank *pari passu* with each other in all respects.

SUBSCRIPTION OF FEE SHARES UNDER GENERAL MANDATE

On 22 November 2024 (after trading hours), the Company and MDK Corporate Services Limited (“**MDK**”) entered into the agreement (the “**Agreement**”), pursuant to which the Company has conditionally agreed to allot and issue, and MDK has conditionally agreed to subscribe for, 6,700,000 fee shares (the “**Fee Share(s)**”) at the issue price of HK\$0.12 per Fee Share, which shall be satisfied by MDK by way of set-off against the service fee of HK\$800,000 (the “**Subscription**”).

On 10 December 2024, the Subscription was completed and 6,700,000 Fee Shares have been successfully subscribed by MDK at the issue price of HK\$0.12 per Fee Share pursuant to the Agreement. As the proceeds from the issue of the Fee Shares under the Agreement have been set off against the service fee, there is no cash proceeds arising from the issue of the Fee Shares.

For details, please refer to the announcements of the Company dated 22 November 2024 and 10 December 2024.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ADDITIONS OF CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have any significant investments, material acquisition or disposal of any subsidiaries, associates or joint ventures and affiliated companies during the year ended 31 December 2024, nor were there any future plans for material investments or additions of capital assets as at 31 December 2024.

PLEDGE OF ASSETS

Capital commitments contracted by the Group but not yet provided for in the financial statements as at 31 December 2024 were approximately HK\$6.9 million (2023: approximately HK\$5.1 million), which was mainly related to the expansion of production capacity of the Silicone Business. Such capital commitments will be financed by the net proceeds from operating activities. As at 31 December 2024, certain land and buildings, investment properties and right-of-use assets of the Group of approximately HK\$98 million (2023: approximately HK\$116.3 million) were pledged to secure banking facilities or bank and other borrowings granted to the Group.

CONTINGENT LIABILITIES

No material contingent liabilities of the Group were noted as at 31 December 2024 (2023: nil).

CURRENCY MANAGEMENT AND TREASURY POLICY

For the year ended 31 December 2024, the Group's cash receipts were denominated in United States dollars (“USD”), HK\$, Pound Sterling (“GBP”) and RMB, while the labour costs, manufacturing overheads, selling and administrative expenses of the Group were mostly negotiated, measured and settled in RMB. As at 31 December 2024, the majority of cash and cash equivalents were held in USD, HK\$ and RMB. As the Retail Business in the UK has become one of the principal businesses of the Group, it is expected that GBP will constitute a key functional currency of the Group in the future. Therefore, fluctuations of RMB and GBP will affect the Group's profitability. For the year ended 31 December 2024, the Group did not enter into any financial instrument for hedging purpose. The Group will closely monitor the currency movements and take appropriate measures to deal with such exchange-rate exposure.

The Group adopted a conservative approach to the cash management and investment of uncommitted funds. Unused funds were placed as short-term deposits with authorised financial institutions in Hong Kong and the PRC.

HUMAN RESOURCES AND REMUNERATION POLICIES

As the Group is committed to improving production capacity, developing high-quality products, and expanding industry chain, experienced workers, engineers and professionals are crucial to the Group. The Group offers on-the-job training and encourages staff to attend continuous professional training in order to enhance their skills and knowledge. The Group also offers competitive remuneration packages, including quality staff quarters, medical care, insurance coverage and retirement benefits, to employees. As at 31 December 2024, the Group employed 715 permanent and temporary employees (2023: 717). The total salaries and related costs for the year ended 31 December 2024 amounted to approximately HK\$119.1 million (2023: approximately HK\$115.9 million).

FINAL DIVIDEND

The Board does not recommend payment of final dividend for the year ended 31 December 2024 (2023: nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Board are not aware of any significant event which had material effect on the Group subsequent to 31 December 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to enhancing Shareholder value and safeguarding interests of Shareholders and other stakeholders. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

To the best knowledge of the Board, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024, except for the following.

Under Code Provision C.1.6 of the CG Code, independent non-executive Directors and other non-executive Directors, as equal Board members, should attend general meetings of the Company to gain and develop a balanced understanding of the views of the Shareholders. Mr. Chan Tsun Hong Philip and Mr. Han Lei, the non-executive Directors, and Ms. Wang Lina, the independent non-executive Director, did not attend the annual general meeting of the Company held on 18 November 2024 due to their other work commitments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' transactions in the securities of the Company. Specific enquiry has been made of all the Directors and all Directors confirmed that they had fully complied with the required standard of dealings and the code of conduct adopted by the Company and there was no event of non-compliance throughout the year ended 31 December 2024 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

SHARE OPTION SCHEME

On 13 December 2018, the Company adopted the share option scheme (the “**Scheme**”). For the year ended 31 December 2024, no options or securities had been granted, exercised, cancelled or lapsed under the Scheme. As at 1 January 2024 and 31 December 2024, there was no outstanding option under the Scheme.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

Currently, the audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely, Mr. Chan Siu Tat, Ms. Wang Lina and Dr. Feng Xin. Mr. Chan Siu Tat is the chairman of the Audit Committee, who has appropriate professional qualifications and experience in accounting. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed auditing, financial reporting, risk management and internal control matters. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024, and is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions and sufficient disclosures have been made.

CHANGE OF DIRECTORS

Mr. Hu Jiangbing retired as an independent non-executive Director and has ceased to act as the chairman of the remuneration committee (the “**Remuneration Committee**”) of the Board and a member of each of the Audit Committee and the nomination committee (the “**Nomination Committee**”) of the Board with effect from 18 November 2024.

Mr. Zheng Changxing has resigned as an independent non-executive Director with effect from 18 February 2025.

Dr. Feng Xin has appointed as an independent non-executive Director and the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee with effect from 18 February 2025.

SCOPE OF WORK OF CL PARTNERS CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditors, CL Partners CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 28 March 2025. The work performed by CL Partners CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by CL Partners CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This result announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.tayanggroup.com). The annual report of the Group for the year ended 31 December 2024 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company, and will be available on websites of the Stock Exchange and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere thanks and gratitude to our management and staff for their hard work and dedication, as well as our shareholders, business partners and associates, bankers, auditors and other stakeholders for their continuous support to the Group.

On behalf of the Board
Ta Yang Group Holdings Limited
Shi Qi
Chairlady

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Shi Qi, Mr. Li Jiuhua and Mr. Gao Feng; three non-executive Directors, namely, Mr. Chan Tsun Hong Philip, Mr. Gu Shixiang and Mr. Han Lei; and three independent non-executive Directors, namely Mr. Chan Siu Tat, Ms. Wang Lina and Dr. Feng Xin.