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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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	<b>Six months ended 30 June 2023 HK\$'000 (Unaudited)</b>	<b>Change (%)</b>
<b>Results</b>			
Revenue	<b>313,354</b>	310,166	1.0
Profit before tax	<b>39,259</b>	49,483	(20.7)
Profit attributable to owners of the Company	<b>32,803</b>	42,567	(22.9)
Basic and diluted earnings per share (expressed in HK cents per share)	<b>HK13.7 cents</b>	HK17.7 cents	(22.6)

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Yan Tat Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023.

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2024*

	<i>Notes</i>	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2023 HK\$'000 (Unaudited)
<b>REVENUE</b>	4	<b>313,354</b>	310,166
Cost of sales		<u>(235,835)</u>	<u>(223,670)</u>
Gross profit		<b>77,519</b>	86,496
Other income and gains	4	<b>13,159</b>	13,220
Selling and distribution expenses		<b>(9,733)</b>	(10,329)
General and administrative expenses		<b>(39,951)</b>	(39,215)
Other expenses		<b>(1,082)</b>	(233)
Finance costs	6	<u><b>(653)</b></u>	<u>(456)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>39,259</b>	49,483
Income tax expense	7	<u><b>(6,456)</b></u>	<u>(6,916)</u>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<u><b>32,803</b></u>	<u>42,567</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	8		
Basic and diluted		<u><b>HK13.7 cents</b></u>	<u>HK17.7 cents</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2023 HK\$'000 (Unaudited)
<b>PROFIT FOR THE PERIOD</b>	<b><u>32,803</u></b>	<u>42,567</u>
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(3,667)	(16,487)
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	<u>(44)</u>	<u>(19)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b><u>(3,711)</u></b>	<u>(16,506)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b><u>29,092</u></b>	<u>26,061</u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

	<i>Notes</i>	<b>30 June 2024</b>	31 December 2023
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		263,306	274,447
Investment properties		25,135	25,844
Right-of-use assets		4,690	5,677
Deposits for purchases of items of property, plant and equipment		12,119	2,352
Deposits		116	116
Deferred tax assets		9,276	9,384
Financial asset at fair value through other comprehensive income		3,857	3,928
		<hr/>	<hr/>
Total non-current assets		<b>318,499</b>	321,748
<b>CURRENT ASSETS</b>			
Inventories		59,877	56,449
Trade and bills receivables	9	201,184	188,953
Prepayments, deposits and other receivables		4,943	5,481
Tax recoverable		–	1,417
Pledged deposits		32,309	31,874
Cash and cash equivalents		513,825	462,796
		<hr/>	<hr/>
Total current assets		<b>812,138</b>	746,970
<b>CURRENT LIABILITIES</b>			
Trade payables	10	95,063	88,407
Other payables and accruals		68,441	68,155
Interest-bearing bank borrowings		60,262	33,105
Lease liabilities		1,115	1,621
Dividend payable		24,000	–
Tax payable		16,993	16,594
		<hr/>	<hr/>
Total current liabilities		<b>265,874</b>	207,882
<b>NET CURRENT ASSETS</b>		<hr/> <b>546,264</b>	<hr/> 539,088
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>864,763</b>	<hr/> 860,836

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	231	569
Deposit received	109,570	110,350
Deferred tax liabilities	22,422	21,766
Deferred income	6,800	7,503
	<u>139,023</u>	<u>140,188</u>
Total non-current liabilities	<u>139,023</u>	<u>140,188</u>
Net assets	<u>725,740</u>	<u>720,648</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	2,400	2,400
Reserves	723,340	718,248
	<u>725,740</u>	<u>720,648</u>
Total equity	<u>725,740</u>	<u>720,648</u>

## NOTES

30 June 2024

### 1. CORPORATE 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 Windward 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 period, 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 interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current liabilities with Covenants</i> <i>(the "2022 Amendments")</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and 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. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

### 3. OPERATING SEGMENT INFORMATION

The Group focuses primarily on the manufacture and sale of printed circuit boards during the period. 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

	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2023 HK\$'000 (Unaudited)
Mainland China	124,409	133,823
Hong Kong	1,945	1,558
Europe	58,656	76,068
Asia (except Mainland China and Hong Kong)	98,557	66,109
North America	29,542	30,850
Africa	154	1,740
South America	–	18
Oceania	91	–
	<u>313,354</u>	<u>310,166</u>

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

(b) Non-current assets

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Hong Kong	3,088	4,235
Mainland China	302,278	304,201
	<u>305,366</u>	<u>308,436</u>

The non-current asset information above is based on the locations of the assets and excludes a financial asset at fair value through other comprehensive income 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:

	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2023 HK\$'000 (Unaudited)
Customer A	69,915	76,612
Customer B	35,155	47,652
Customer C	41,211	N/A

#### 4. REVENUE, OTHER INCOME AND GAINS

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

	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2023 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Sale of goods	<u>313,354</u>	<u>310,166</u>
<b>Other income</b>		
Bank interest income	8,643	5,055
Rental income	239	264
Government grants	<u>986</u>	<u>1,110</u>
	<u>9,868</u>	<u>6,429</u>
<b>Gains</b>		
Income linked to recycling	1,643	2,073
Foreign exchange gains, net	<u>1,648</u>	<u>4,718</u>
	<u>3,291</u>	<u>6,791</u>
	<u>13,159</u>	<u>13,220</u>

## 5. PROFIT BEFORE TAX

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

	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2023 HK\$'000 (Unaudited)
Cost of inventories sold	235,835	223,670
Depreciation of property, plant and equipment	13,258	13,621
Depreciation of right-of-use assets	962	964
Write-down/(reversal of write-down) of inventories to net realisable value <sup>^</sup>	(860)	441
Impairment/(reversal of impairment) of trade and bills receivables	1,025	(1,747)
Fair value losses on investment properties**	528	180
Write-off of items of property, plant and equipment	232	46
Foreign exchange differences, net*	<u>(1,648)</u>	<u>(4,718)</u>

<sup>^</sup> Write-down/(reversal of write-down) of inventories to net realisable value is included in "Cost of inventories sold" in the interim condensed consolidated statement of profit or loss.

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

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

## 6. FINANCE COSTS

	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2023 HK\$'000 (Unaudited)
Interest on:		
Bank loans and trust receipt loans	610	404
Lease liabilities	<u>43</u>	<u>52</u>
	<u>653</u>	<u>456</u>

## 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 period, 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 People's Republic of China (the "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 period, 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 during the period.

	<b>Six months ended 30 June 2024 HK\$'000 (Unaudited)</b>	Six months ended 30 June 2023 HK\$'000 (Unaudited)
Current — Hong Kong		
Charge for the period	2,154	572
Current — Mainland China		
Charge for the period	2,671	5,200
Underprovision in prior years	883	265
Deferred	748	879
	<u>6,456</u>	<u>6,916</u>
Total tax charge for the period	<u>6,456</u>	<u>6,916</u>

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

The calculation of the basic earnings per share amount for the six months ended 30 June 2024 attributable to ordinary equity holders of the Company is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$32,803,000 (six months ended 30 June 2023: HK\$42,567,000) and the weighted average number of ordinary shares of the Company of 240,000,000 (six months ended 30 June 2023: 240,000,000) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue during these periods.

## 9. TRADE AND BILLS RECEIVABLES

	<b>30 June 2024</b>	31 December 2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade receivables	<b>185,600</b>	174,892
Bills receivable	<b>20,331</b>	17,803
	<b>205,931</b>	192,695
Impairment	<b>(4,747)</b>	(3,742)
	<b>201,184</b>	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 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:

	<b>30 June 2024</b>	31 December 2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within one month	<b>70,424</b>	86,932
One to two months	<b>54,293</b>	46,838
Two to three months	<b>46,458</b>	28,692
Over three months	<b>30,009</b>	26,491
	<b>201,184</b>	188,953

## 10. 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:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Within three months	79,847	70,683
Three to six months	9,946	13,315
Over six months	5,270	4,409
	<u>95,063</u>	<u>88,407</u>

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

## 11. DIVIDEND

	<b>For the six months ended 30 June</b>	
	<b>2024 HK\$'000 (Unaudited)</b>	2023 HK\$'000 (Unaudited)
Final 2023 dividend declared recognised as distribution to owners of the Company during the period — HK10 cents (2023: HK12 cents in respect of final 2022 dividend declared) per ordinary share	<u>24,000</u>	<u>28,800</u>

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Development

The Group is an original equipment manufacturer (“OEM”) provider of PCBs and focused on the production of quality PCBs, which meet industrial standards such as IPC Standards, as well as the customers’ requirements.

We focused 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. Benefited from the enormous business opportunities generated from automobile electronics in recent years, the proportion of our revenue generated from this section is correspondingly higher.

Over the past 34 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 relationships 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 swiftly grasp evolving trends in customer demand.

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. During 2022, the Group obtained 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 its improvement and enhancement, so that our staff can work in a safe and healthy environment.

The high production cost continues 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. However, viewing from another perspective, manufacturers failing to meet the required standards would be eliminated or would have to enhance their operation cost in order to comply with the required standards, whereas the Group has realized the need for environmental protection and has made relevant investment many years ago. Therefore, compared with those failing to meet the standards, the Group is under less pressure in such new setting in the PCB market and better positioned to seize opportunities.

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 2021 and 2022, the imbalance between supply and demand under the pandemic led to over-expansion of global consumption. After the pandemic, the Group faced the pressure of de-inventorying and interest rate hikes to curb inflation, therefore, the global PCB industry experienced a recession in 2023 that extended to 2024. The sales of the Group also declined in line with the macro-environment. The Group has been focusing on the PCB business for more than 34 years, its accumulated experience and network are conducive to the PCB market development and its ability to respond to emergencies. 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 District, Shenzhen 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. The Group entered into a cooperation agreement with independent third parties in relation to the urban renewal project (the “**Urban Renewal Project**”) located at the current production area in Pingshan District. Due to the sluggish property market in the Mainland China, the counterparty has been unable to fulfill the terms of the agreement on time and the Group is actively seeking solutions. Particular details are set out in “Financial Review — Future plans for material investments and capital assets” below. Meanwhile, the Group will also consider from time to time the development of opportunities to maximize the interests for its shareholders.



## Financial Review

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Turnover	313,354	310,166
Gross profit	77,519	86,496
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	45,489	59,469
Net profit	<u>32,803</u>	<u>42,567</u>

The Group’s turnover for the six months ended 30 June 2024 was approximately HK\$313.4 million, representing an increase of approximately 1.0% as compared to approximately HK\$310.2 million for the last corresponding period, which was primarily attributable to the slight increase in the unit price of sales orders.

The Group’s gross profit margin for the six months ended 30 June 2024 was approximately 24.7%, representing a decrease of approximately 3.2% over the gross profit margin of the last corresponding period of approximately 27.9%, which was primarily attributable to the increment in production costs.

The Group’s total operating expenses for the six months ended 30 June 2024 were approximately HK\$49.7 million, representing an increase of approximately 0.4% compared to approximately HK\$49.5 million for the last corresponding period, primarily due to the increase in general and administrative expenses.

The Group’s EBITDA amounted to approximately HK\$45.5 million for the six months ended 30 June 2024 as compared to approximately HK\$59.5 million for the last corresponding period.

The Group recorded a net profit attributable to owners of the Company of approximately HK\$32.8 million for the six months ended 30 June 2024 as compared to approximately HK\$42.6 million for the last corresponding period.

### *Other income and gains*

Other income and gains for the six months ended 30 June 2024 were approximately HK\$13.2 million, similar to the amount of approximately HK\$13.2 million for the last corresponding period.

### *Selling and distribution expenses*

Selling and distribution expenses decreased by approximately HK\$0.6 million, or 5.8%, to approximately HK\$9.7 million for the six months ended 30 June 2024 from approximately HK\$10.3 million for the six months ended 30 June 2023. The decrease was primarily due to the decrease in commission and product inspection fee.

### *General and administrative expenses*

General and administrative expenses increased by approximately HK\$0.8 million, or 2.0%, to approximately HK\$40.0 million for the six months ended 30 June 2024 from approximately HK\$39.2 million for the six months ended 30 June 2023. The increase was primarily due to the increase in impairment of trade and bills receivables.

### *Other expenses*

Other expenses increased by approximately HK\$0.9 million or 450.0%, to approximately HK\$1.1 million for the six months ended 30 June 2024 from approximately HK\$0.2 million for the six months ended 30 June 2023, primarily due to the increase in fair value losses on investment properties of approximately HK\$0.3 million and the increase in write-off of items of property, plant and equipment of approximately HK\$0.2 million.

### *Finance costs*

Finance costs increased by approximately HK\$0.2 million, or 40.0%, to approximately HK\$0.7 million for the six months ended 30 June 2024 from approximately HK\$0.5 million for the six months ended 30 June 2023, primarily due to the increase in bank loan interest resulting from an increase in bank borrowings during the six months ended 30 June 2024.

### *Profit for the period attributable to owners of the Company*

The Group recorded a profit attributable to owners of the Company of approximately HK\$32.8 million for the six months ended 30 June 2024 as compared to approximately HK\$42.6 million for the six months ended 30 June 2023, representing a decrease of approximately 23.0%. The decrease of profit attributable to owners of the Company was mainly due to the net effect of the decrease in gross profit of approximately HK\$9.0 million, the decrease in selling and distribution expenses of approximately HK\$0.6 million, the increase in general and administrative expenses of approximately HK\$0.8 million, and the decrease in income tax expense of approximately HK\$0.5 million.

### *Property, plant and equipment*

The net carrying amount of the Group's property, plant and equipment as at 30 June 2024 was approximately HK\$263.3 million, representing a decrease of approximately HK\$11.1 million from the net carrying amount of approximately HK\$274.4 million as at 31 December 2023. This was mainly due to depreciation of approximately HK\$13.3 million for the Group's property, plant and equipment, which is partially offset by the total additions of approximately HK\$4.3 million during the six months ended 30 June 2024.

### *Trade and bills receivables*

There was an increase in trade and bills receivables as at 30 June 2024 of approximately HK\$12.2 million as compared to 31 December 2023, which was mainly due to the increase in sales in the second quarter of 2024 as compared to the fourth quarter of 2023.

### *Bank borrowings*

The Group had bank borrowings as at 30 June 2024 in the sum of approximately HK\$60.3 million, representing an increase of approximately HK\$27.2 million from the sum of approximately HK\$33.1 million as at 31 December 2023. The increase in borrowings was mainly due to the addition of bank borrowings during the period. 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 30 June 2024, the Group had total current assets of approximately HK\$812.1 million (31 December 2023: HK\$747.0 million), including cash and cash equivalents and pledged deposits totalling approximately HK\$546.1 million (31 December 2023: HK\$494.7 million). As at 30 June 2024, the Group had non-current liabilities of approximately HK\$139.0 million (31 December 2023: HK\$140.2 million), and its current liabilities amounted to approximately HK\$265.9 million (31 December 2023: HK\$207.9 million), consisting mainly of payables arising from the normal course of operations and borrowings. Accordingly, the current ratio, being the ratio of current assets to current liabilities, was around 3.1 as at 30 June 2024 (31 December 2023: 3.6).

### *Gearing ratio*

The gearing ratio of the Group, calculated as total borrowings over total equity, was 0.08 as at 30 June 2024 (31 December 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 period under review. 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 risk, the Directors 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 currency risk exposure*

As at 30 June 2024, the Group had cash and cash equivalents, pledged deposits, trade and bills receivables, deposits and other receivables, trade payables, other payables, and interest-bearing bank borrowings which are denominated in currencies other than Hong Kong dollars, and consequently we have foreign currency risk exposure from translation of amount denominated in foreign currencies as at the reporting date. During the six months ended 30 June 2024, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

### *Capital structure*

There has been no major change in the capital structure of the Company during the six months ended 30 June 2024 and the full year of 2023. The capital of the Company comprises ordinary shares and capital reserves.

### *Capital commitments*

As at 30 June 2024, capital commitments of the Group amounted to approximately HK\$17.6 million (31 December 2023: HK\$6.4 million).

### *Information on employees*

As at 30 June 2024, the Group had 793 (31 December 2023: 739) employees, including the executive Directors. Total employee benefit expense (including Directors' remuneration) for the six months ended 30 June 2024 was approximately HK\$44.7 million, as compared to approximately HK\$44.7 million for the six months ended 30 June 2023. Remuneration is determined with reference to market norms and individual employee's performance, qualifications and experience.

On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as 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 where options to subscribe for shares may be granted to the Directors and employees of the Group.

#### *Significant investment held*

During the six months ended 30 June 2024, the Group did not hold any significant investment.

#### *Future plans for material investments and capital assets*

Other than those disclosed in this announcement, on 8 May 2020, the Group entered into, amongst others, a cooperation agreement for 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 is continuing 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.

Also, the Group is currently exploring the opportunity and proactively discussing with independent third parties in relation to the investment of the establishment of a production base for the production of PCBs in mainland China and/or overseas. The Company will make further disclosure as and when appropriate pursuant to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

#### *Material acquisitions and disposals of subsidiaries, associates and joint ventures*

During the six months ended 30 June 2024, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

#### *Charges of assets*

As at 30 June 2024, certain assets of the Group as set out below were charged to secure banking facilities granted to the Group:

- (i) the Group’s investment property amounting to approximately HK\$5.6 million (31 December 2023: HK\$5.8 million).
- (ii) pledged deposits with banks amounting to approximately HK\$32.3 million (31 December 2023: HK\$31.9 million).

#### *Contingent liabilities*

The Group had no material contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

## **PROSPECTS**

Geopolitical conflict is a major problem in 2024, the conflict between Russia and Ukraine is ongoing, Israeli-Palestinian conflict continues, leading to the raise of energy costs and inflation, as well as unstable exchange rate. Even though the demand for PCBs are still strong in telecommunications and automotive electronics applications, and the cost of key raw materials has stabilized or declined, yet PCB companies are still facing challenges. The Group enjoys a diversified market and industry segment, a broad base of quality customers and a strong defensive position. We are closely monitoring external developments and orders from our customers, and will make appropriate adjustments accordingly.

## **EVENTS AFTER THE REPORT PERIOD**

There were no significant events affecting the Company and its subsidiaries after the reporting period up to the date of this announcement.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE**

The Company confirms that, the Company has complied with all the code provisions (the “**Code Provisions**”) set out in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions. All Directors confirm that, having made specific enquiries of all Directors, they have complied with the required standards of dealing as set out in the Model Code during the six months ended 30 June 2024.

## **AUDIT COMMITTEE**

The Company established an audit committee pursuant to a resolution of the Directors passed on 18 November 2014 with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules. The written terms of reference of the audit committee was adopted in compliance with the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange. The audit committee consists of three independent non-executive Directors, namely Mr. Yau Wing Yiu (chairman of the audit committee), Mr. Lau Shun Chuen and Mr. Chung Yuk Ming.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been reviewed by the audit committee and the audit committee is of the view that the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 has been prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The unaudited consolidated interim results of the Company and its subsidiaries for the six months ended 30 June 2024 have been reviewed by the Company's auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The auditor's independent review report will be included in the Company's 2024 interim report.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

The interim results announcement is published on the websites of both the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.yantat.com](http://www.yantat.com)). An interim report of the Company for the six months ended 30 June 2024 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the shareholders of the Company who have requested to receive printed copies and made available on the aforementioned websites in due course.

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

Hong Kong, 28 August 2024

*As at the date of this announcement, the Board comprises Mr. CHAN Wing Yin, 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.*