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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 2025

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)	Change (%)
Results			
Revenue	263,526	313,354	(15.9)
Profit before tax	15,604	39,259	(60.3)
Profit attributable to owners of the parent	14,198	32,803	(56.7)
Basic and diluted earnings per share (expressed in HK cents per share)	HK5.9 cents	HK13.7 cents	(56.9)

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 2025, together with the comparative figures for the corresponding period in 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	<i>Notes</i>	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
REVENUE	4	263,526	313,354
Cost of sales		<u>(202,728)</u>	<u>(235,835)</u>
Gross profit		60,798	77,519
Other income and gains	4	12,557	13,159
Selling and distribution expenses		(9,885)	(9,733)
General and administrative expenses		(44,442)	(39,951)
Other expenses		(2,132)	(1,082)
Finance costs	6	<u>(1,292)</u>	<u>(653)</u>
PROFIT BEFORE TAX	5	15,604	39,259
Income tax expense	7	<u>(2,696)</u>	<u>(6,456)</u>
PROFIT FOR THE PERIOD		<u>12,908</u>	<u>32,803</u>
Attributable to:			
Owners of the parent		14,198	32,803
Non-controlling interest		<u>(1,290)</u>	<u>—</u>
		<u>12,908</u>	<u>32,803</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		<u>HK5.9 cents</u>	<u>HK13.7 cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
PROFIT FOR THE PERIOD	<u>12,908</u>	<u>32,803</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	9,375	(3,667)
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>(119)</u>	<u>(44)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>9,256</u>	<u>(3,711)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>22,164</u>	<u>29,092</u>
Attributable to:		
Owners of the parent	23,128	29,092
Non-controlling interest	<u>(964)</u>	<u>—</u>
	<u>22,164</u>	<u>29,092</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		273,290	276,700
Investment properties		20,276	22,062
Right-of-use assets		4,859	5,788
Goodwill		1,449	–
Deposits for purchases of items of property, plant and equipment		117,755	10,935
Deposits		188	188
Deferred tax assets		13,386	9,445
Financial asset at fair value through other comprehensive income		3,663	3,726
Total non-current assets		434,866	328,844
CURRENT ASSETS			
Inventories		63,927	68,356
Trade and bills receivables	9	163,426	158,975
Prepayments, deposits and other receivables		11,803	9,926
Tax recoverable		295	343
Pledged deposits		24,464	24,030
Cash and cash equivalents		555,873	533,295
Total current assets		819,788	794,925
CURRENT LIABILITIES			
Trade payables	10	79,295	82,762
Other payables and accruals		86,931	78,083
Interest-bearing bank borrowings		62,024	26,996
Lease liabilities		1,303	1,613
Dividend payable		14,400	–
Tax payable		16,426	18,829
Total current liabilities		260,379	208,283
NET CURRENT ASSETS		559,409	586,642
TOTAL ASSETS LESS CURRENT LIABILITIES		994,275	915,486

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	100,997	32,397
Lease liabilities	445	989
Deposit received	109,660	107,990
Deferred tax liabilities	22,306	22,260
Deferred income	5,757	6,621
	<hr/>	<hr/>
Total non-current liabilities	239,165	170,257
	<hr/>	<hr/>
Net assets	755,110	745,229
	<hr/>	<hr/>
EQUITY		
Issued capital	2,400	2,400
Reserves	751,557	742,829
	<hr/>	<hr/>
Equity attributable to owners of the parent	753,957	745,229
Non-controlling interest	1,153	—
	<hr/>	<hr/>
Total equity	755,110	745,229
	<hr/>	<hr/>

NOTES

30 June 2025

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 2025 has been prepared in accordance with Hong Kong Accounting Standard ("**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 2024.

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 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, 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

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
Mainland China	107,599	124,409
Hong Kong	4,119	1,945
Europe	51,249	58,656
Asia (except Mainland China and Hong Kong)	66,314	98,557
North America	34,134	29,542
Africa	77	154
Oceania	34	91
	<u>263,526</u>	<u>313,354</u>

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

(b) Non-current assets

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Hong Kong	2,723	3,895
Mainland China	300,759	300,655
Malaysia	114,147	—
	<u>417,629</u>	<u>304,550</u>

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

Information about major customers

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

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
Customer A	47,342	69,915
Customer B	49,414	35,155
Customer C	N/A	41,211

4. REVENUE, OTHER INCOME AND GAINS

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

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
Revenue from contracts with customers		
Sale of goods	263,526	313,354
Other income		
Bank interest income	8,348	8,643
Rental income	229	239
Government grants	1,108	986
	9,685	9,868
Gains		
Income linked to recycling	2,624	1,643
Foreign exchange gains, net	248	1,648
	2,872	3,291
	12,557	13,159

5. PROFIT BEFORE TAX

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

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
Cost of inventories sold	202,728	235,835
Depreciation of property, plant and equipment	14,513	13,258
Depreciation of right-of-use assets	977	962
Write-down/(reversal of write-down) of inventories to net realisable value [^]	280	(860)
Impairment of trade receivables	120	1,025
Fair value losses on investment properties ^{**}	2,106	528
Write-off of items of property, plant and equipment	25	232
Foreign exchange differences, net [*]	(248)	(1,648)

[^] 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

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
Interest on:		
Bank loans	1,234	610
Lease liabilities	58	43
	1,292	653

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 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 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 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% (2024: 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% (2024: 15%) has been applied during the period.

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
Current — Hong Kong		
Charge for the period	1,107	2,154
Current — Mainland China		
Charge for the period	1,187	2,671
Underprovision in prior years	—	883
Deferred	402	748
Total tax charge for the period	2,696	6,456

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

The calculation of the basic earnings per share amount for the six months ended 30 June 2025 attributable to ordinary equity holders of the parent is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$14,198,000 (six months ended 30 June 2024: HK\$32,803,000) and the weighted average number of ordinary shares of the parent of 240,000,000 (six months ended 30 June 2024: 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 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during these periods.

9. TRADE AND BILLS RECEIVABLES

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Trade receivables	151,825	144,746
Bills receivable	14,615	17,079
	166,440	161,825
Impairment	(3,014)	(2,850)
	163,426	158,975

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:

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Within one month	64,506	66,727
One to two months	41,593	36,573
Two to three months	37,380	29,394
Over three months	19,947	26,281
	163,426	158,975

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:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within three months	58,925	65,883
Three to six months	10,590	9,453
Over six months	9,780	7,426
	79,295	82,762

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

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
Final 2024 dividend declared recognised as distribution to ordinary equity holders of the parent during the period — HK6 cents (2024: HK10 cents in respect of final 2023 dividend declared) per ordinary share	14,400	24,000

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Development

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

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

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

Over the past 35 years of our operation, the Group has established a solid foundation and close relationships 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. We believe that these customers also considered the Group as their important partner for their supply chain. Therefore, our profound and long-term relationships with our customers will enable the Group to know the trend of customers’ demand more quickly.

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

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

The PCB industry continued to be affected by significant cost pressures in 2025. The continuous implementation of stringent emission standards and environmental protection measures across China has presented considerable challenges for PCB manufacturers. In response, the Group has been required to increase its capital expenditure in respect of environmental protection compliance, which has, in turn, exerted pressure on the Group's profit margins.

Furthermore, while China remains a global manufacturing hub, the Group is facing an operating landscape characterised by escalating labour costs and a tightening labour supply, particularly in coastal regions. To mitigate these challenges, the Group has accelerated the automation of its production processes, promoted the utilization and circulation of production information, and implemented measures to optimise costs and enhance quality. These strategic initiatives are paving the way for the Group's future development towards intelligent manufacturing.

In 2025, amid protectionism, geopolitical tensions, inventory buildup and the influence of various adverse factors, the global economy underperformed compared to 2024. The PCB industry is closely tied to global economic developments, and with the exception of certain ones involved in the AI market, most of the PCB manufacturers have kept abreast with the trends in the overall context. The Group has been focusing on the PCB business for more than 35 years, its accumulated experience and network are conducive to its development in the PCB market and its ability to respond to changes. With the rapid progress of the urbanization in Shenzhen, the Shenzhen Pingshan District Government has also made strategic planning for promoting its local development. Given the increased labor costs in Shenzhen and the need to maintain competitiveness and respond to the future change in the planned use of the current production area of Yan Tat Printed Circuits (Shenzhen) Co., Ltd., after consultation with the Board and the professional advisers, the Group plans to establish another production base in areas outside Pingshan, Shenzhen to support the development of the Group in China in the long run. Subsequently, the production capacity of the Group will be relocated gradually to the new production base. Meanwhile, the Group will also consider from time to time the development of opportunities to maximize the interests for its shareholders (the “Shareholders”).

In the first half of the year, the Group completed the Share Acquisition (as defined below) of the controlling stake in Denshi Maruwa (as defined below), which is a company principally engaged in manufacturing printed circuit boards in Malaysia, and entered into a sale and purchase agreement in relation to the Property Acquisition (as defined below) to add an additional production base for the Group. For further details, please refer to the sections headed “Financial Review — Material acquisitions and disposals of subsidiaries, associates and joint ventures” and “Significant Events after the Reporting Period” in this announcement below. The Share Acquisition and the Property Acquisition are strategic opportunities for the Group to establish a more resilient and flexible supply chain, ensuring operational continuity amid global uncertainties. Furthermore, Malaysia’s strategic location in Southeast Asia offers significant logistical advantages, including reduced lead times and lower transportation costs for customers within the ASEAN region. We anticipate that this will improve service delivery, increase customer satisfaction and retention, and potentially open new avenues for growth. It will also serve as a foundation for the Group to explore further business opportunities within the region. The Group believes the acquisition will diversify the Group’s manufacturing base while complementing its existing operations in the PRC. We believe this approach will position the Group favourably in the global PCB market, driving long-term growth and creating sustainable value for the Shareholders.

Financial Review

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	Six months ended 30 June 2024 HK\$'000 (Unaudited)
Turnover	263,526	313,354
Gross profit	60,798	77,519
Earnings before interest, taxes, depreciation and amortisation (“ EBITDA ”)	24,038	45,489
Profit attributable to owners of the parent	14,198	32,803

The Group’s turnover for the six months ended 30 June 2025 was approximately HK\$263.5 million, representing a decrease of approximately 15.9% as compared to approximately HK\$313.4 million for the last corresponding period, which was primarily attributable to the slowdown in the global economy brought about by the uncertainties of the global trading policies; and the severe involution of the PCB market, with intense price competition continuing in 2025, causing a decrease in sales order volume and average selling prices, which negatively affected the revenue of the Group.

The Group’s gross profit margin for the six months ended 30 June 2025 was approximately 23.1%, representing a decrease of approximately 6.5% over the gross profit margin of the last corresponding period of approximately 24.7%, which was primarily attributable to the increase in the cost of raw materials and other production costs during the period.

The Group’s total operating expenses for the six months ended 30 June 2025 were approximately HK\$54.3 million, representing an increase of approximately 9.3% compared to approximately HK\$49.7 million for the last corresponding period, primarily due to the increase in general and administrative expenses.

The Group’s EBITDA amounted to approximately HK\$24.0 million for the six months ended 30 June 2025 as compared to approximately HK\$45.5 million for the last corresponding period.

The Group recorded a profit attributable to owners of the parent of approximately HK\$14.2 million for the six months ended 30 June 2025 as compared to approximately HK\$32.8 million for the last corresponding period.

Other income and gains

Other income and gains decreased by approximately HK\$0.6 million, or 4.5%, to approximately HK\$12.6 million for the six months ended 30 June 2025 from approximately HK\$13.2 million for the six months ended 30 June 2024, primarily due to the decrease in foreign exchange gains.

Selling and distribution expenses

Selling and distribution expenses increased by approximately HK\$0.2 million, or 2.1%, to approximately HK\$9.9 million for the six months ended 30 June 2025 from approximately HK\$9.7 million for the six months ended 30 June 2024. The increase was primarily due to the increase in consultancy fee.

General and administrative expenses

General and administrative expenses increased by approximately HK\$4.4 million, or 11.0%, to approximately HK\$44.4 million for the six months ended 30 June 2025 from approximately HK\$40.0 million for the six months ended 30 June 2024. The increase was primarily due to the increase in legal and professional fees, research and development costs and staff salaries.

Other expenses

Other expenses increased by approximately HK\$1.0 million or 90.9%, to approximately HK\$2.1 million for the six months ended 30 June 2025 from approximately HK\$1.1 million for the six months ended 30 June 2024, primarily due to the increase in fair value losses on investment properties of approximately HK\$1.6 million.

Finance costs

Finance costs increased by approximately HK\$0.6 million, or 85.7%, to approximately HK\$1.3 million for the six months ended 30 June 2025 from approximately HK\$0.7 million for the six months ended 30 June 2024, primarily due to the increase in bank loan interest resulting from an increase in bank borrowings during the six months ended 30 June 2025.

Profit attributable to owners of the parent

The Group recorded a profit attributable to owners of the parent of approximately HK\$14.2 million for the six months ended 30 June 2025 as compared to approximately HK\$32.8 million for the six months ended 30 June 2024, representing a decrease of approximately 56.7%. The decrease of profit attributable to owners of the parent was mainly due to the net effect of the decrease in gross profit of approximately HK\$16.7 million, the increase in selling and distribution expenses of approximately HK\$0.2 million, the increase in general and administrative expenses of approximately HK\$4.4 million, and the decrease in income tax expense of approximately HK\$3.8 million.

Property, plant and equipment

The net carrying amount of the Group's property, plant and equipment as at 30 June 2025 was approximately HK\$273.3 million, representing a decrease of approximately HK\$3.4 million from the net carrying amount of approximately HK\$276.7 million as at 31 December 2024. This was mainly due to depreciation of approximately HK\$14.5 million for the Group's property, plant and equipment, which is partially offset by the total additions of approximately HK\$6.5 million and exchange realignment gain of approximately HK\$4.6 million due to the appreciation of RMB against HKD during the six months ended 30 June 2025.

Trade and bills receivables

There was an increase in trade and bills receivables as at 30 June 2025 of approximately HK\$4.5 million as compared to 31 December 2024, which was mainly due to the increase in sales in the second quarter of 2025 as compared to the fourth quarter of 2024.

Bank borrowings

The Group had bank borrowings as at 30 June 2025 in the sum of approximately HK\$163.0 million, representing an increase of approximately HK\$103.6 million from the sum of approximately HK\$59.4 million as at 31 December 2024. The increase in borrowings was mainly due to the addition of bank borrowings for the capital investment in Malaysia 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 2025, the Group had total current assets of approximately HK\$819.8 million (31 December 2024: HK\$794.9 million), including cash and cash equivalents and pledged deposits totalling approximately HK\$580.3 million (31 December 2024: HK\$557.3 million). As at 30 June 2025, the Group had non-current liabilities of approximately HK\$239.2 million (31 December 2024: HK\$170.3 million), and its current liabilities amounted to approximately HK\$260.4 million (31 December 2024: HK\$208.3 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 2025 (31 December 2024: 3.8).

Gearing ratio

The gearing ratio of the Group, calculated as total borrowings over total equity, was 0.22 as at 30 June 2025 (31 December 2024: approximately 0.08).

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 2025, 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 2025, 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 2025. The capital of the Company comprises ordinary shares and capital reserves.

Capital commitments

As at 30 June 2025, capital commitments of the Group amounted to approximately HK\$71.5 million (31 December 2024: HK\$27.7 million). The increase in capital commitments was mainly due to the Group entering into certain construction agreements and the increase in procurement of equipment for the new investment in Malaysia during the period.

Information on employees

As at 30 June 2025, the Group had 870 (31 December 2024: 746) employees, including the executive Directors. Total employee benefit expense (including Directors' remuneration) for the six months ended 30 June 2025 was approximately HK\$49.3 million, as compared to approximately HK\$44.7 million for the six months ended 30 June 2024. 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 relevant local PRC governments, and the Malaysia rules and regulations, as applicable.

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.

Significant investment held

During the six months ended 30 June 2025, the Group did not hold any significant investment.

Future plans for material investments and capital assets

On 8 May 2020, the Group entered into, amongst others, a cooperation agreement for the Urban Renewal Project 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 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 has been following up with the counterparty on, among other things, the status of the outstanding payment installments and the subsequent arrangements of the cooperation agreement. For details, please refer to the Company's announcements dated 15 May 2020, 14 July 2020, 24 June 2022, 14 October 2022, 1 December 2022 and 12 April 2023, and the circular dated 24 June 2020.

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

On 13 June 2025, the Group entered into a construction agreement with an independent third party constructor, pursuant to which the constructor agreed to provide electromechanical and interior installation services to the Group at an aggregate consideration of US\$2,895,318 (equivalent to approximately HK\$22,583,480). For further details, please refer to the announcement of the Company dated 13 June 2025.

Save as disclosed in this announcement, and except for potential further investments and/or acquisitions of capital assets which may be considered necessary by the Group in connection with the expansion of its production base to Malaysia following the Share Acquisition (as defined below) and the Property Acquisition (the “**Expansion Plan**”), the Group had no other future plans for material investments or capital assets as at 30 June 2025. The Group will continue to assess its operational needs and business development strategy from time to time, and any such future investments or acquisitions will be subject to the evolving circumstances arising from the Expansion Plan.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

On 21 February 2025, the Group entered into sale and purchase agreements with certain independent third parties (the “**Selling Shareholders**”) in relation to the acquisition by the Group of the entire issued share capital of Denshi Maruwa Industries (M) Sdn. Bhd. (“**Denshi Maruwa**”, a private limited company incorporated in Malaysia, which is principally engaged in manufacturing PCBs) for an aggregate consideration of US\$1.1 million (the “**Share Acquisition**”) subject to the fulfilment of certain conditions precedent and the terms and conditions set out in the relevant sale and purchase agreements. The completion of the Share Acquisition will be implemented in tranches, and as at the date of this announcement, the Group has completed the acquisition of 60.39% of the issued share capital in Denshi Maruwa.

Save as disclosed above, during the six months ended 30 June 2025, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures.

Charges of assets

As at 30 June 2025, 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\$3.7 million (31 December 2024: HK\$4.0 million).
- (ii) pledged deposits with banks amounting to approximately HK\$24.5 million (31 December 2024: HK\$24.0 million).
- (iii) the Group’s leasehold land and buildings with net carrying amount of HK\$107.5 million (31 December 2024: Nil).
- (iv) the Group’s parcels of leasehold land situated in Mainland China which are classified as right-of-use assets with carrying amount of HK\$3.1 million (31 December 2024: Nil).

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

PROSPECTS

In 2025, the global landscape is expected to remain impacted by significant geopolitical instability. Ongoing conflicts, such as those involving Russia and Ukraine and between Israel and Palestine, continue to contribute to heightened energy costs, persistent inflationary pressures, and exchange rate volatility.

Notwithstanding these macroeconomic headwinds, demand for PCBs remains robust, particularly from the telecommunications and automotive electronics sectors. This is coupled with a stabilisation in the cost of key raw materials. Despite these positive factors, the operating environment for PCB manufacturers remains challenging. The Group, however, benefits from its diversified exposure across various markets and industry segments, a broad, high-quality customer base, and a resilient business model. We are closely monitoring external developments and customer order flows and will implement appropriate and timely adjustments to its strategies as required.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 24 February 2025, the Group entered into a sale and purchase agreement with a vendor (being an independent third party) in relation to the purchase of a land parcel and the buildings erected thereon in Selangor, Malaysia (the “**Property Acquisition**”) for a total consideration of Ringgit Malaysia 43,750,000 (equivalent to approximately HK\$76,562,500), subject to the fulfilment of certain conditions precedent and the terms and conditions set out therein. The completion of the Property Acquisition took place on 1 August 2025. For further details, please refer to the announcements of the Company dated 24 February 2025 and 1 August 2025 and the circular of the Company dated 25 April 2025. Following the completion of the Property Acquisition, the Group has become the beneficial owner and has all rights, title and interests to and in the Property pending registration of the transfer of the title in favour of Yan Tat Technology.

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

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

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined under the Listing Rules)).

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 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for securities transactions. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standards of dealing as set out in the Model Code during the six months ended 30 June 2025.

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 2025 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 2025 was 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 2025 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” as issued by the Hong Kong Institute of Certified Public Accountants. The auditor’s independent review report will be included in the Company’s 2025 interim report.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: 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) and the Company (www.yantat.com). An interim report of the Company for the six months ended 30 June 2025 containing all the information required by Appendix D2 to the Listing Rules will be published on the aforementioned websites in due course.

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

Hong Kong, 27 August 2025

As at the date of this announcement, the executive directors of the Company are Mrs. Chan Yung and Mr. Chan Yan Wing; the non-executive director is Mr. Chan Yan Kwong; the independent non-executive directors are Mr. Chung Yuk Ming, Mr. Lau Shun Chuen, and Mr. Yau Wing Yiu.