

## Raytech Holding Reports Financial Results for Fiscal Year Ended March 31, 2024

July 30, 2024 06:00 ET

HONG KONG, July 30, 2024 (GLOBE NEWSWIRE) -- Raytech Holding Limited (the "Company" or "RAY"), a Hong Kong-headquartered company specializing in design, sourcing and wholesale of personal care electrical appliances for international brand owners, today announced its financial results for the fiscal year ended March 31, 2024.

CHING Tim Hoi, CEO and Chairman of the Company, commented, "The Company delivered a robust financial performance in the fiscal year ended March 31, 2024, with revenue increased by a substantial 47.1% to reach HKD67.0 million (US\$8.6 million), up from HKD45.5 million in the prior year. This exceptional revenue growth was primarily driven by a significant increase in sales of our hair styling, trimmer product series, as well as new tooling revenue generated from manufacturing a variety of tools, molds, and assembly equipment for our customers."

"While merchandise costs rose in line with the higher revenue, we were able to effectively manage our selling, general and administrative expenses. In particular, staff costs decreased slightly, and we achieved reductions in certain other expense categories such as depreciation and selling and marketing costs. As a result, income from operations grew by a strong 57.9% to HKD11.4 million (US\$1.5 million), and net income likewise expanded by 57.9% to HKD9.9 million (US\$1.3 million)."

"We are very pleased with the Company's robust financial performance in fiscal 2024, which demonstrates our ability to drive substantial revenue growth while maintaining disciplined cost control. Going forward, we will continue to focus on expanding our customer base, developing innovative products, and enhancing operational efficiency to deliver sustainable long-term value for our shareholders."

### Selected Fiscal Year 2024 Financial Metrics

	Years Ended March 31,		Changes in	
	2024	2023	Percentage	
<i>(HKD in millions, except per share data, differences due to rounding.)</i>				
<b>Revenue</b>	HKD 67.0	45.5	47.1	%
<b>Total operating expenses</b>	55.6	38.3	45.1	%
<b>Income from operations</b>	11.4	7.2	57.9	%
<b>Total other income, net</b>	1.4	0.3	366.7	%
<b>Income before income taxes</b>	12.8	7.5	70.7	%
<b>Net income</b>	9.9	6.3	57.9	%
<b>Earnings per share</b>	0.62	0.39	59.0	%

Revenue increased by 47.1% to HKD67.0 million for the year ended March 31, 2024, compared with HKD45.5 million for 2023.

Total operating expenses were HKD55.6 million for the year ended March 31, 2024, increasing from HKD38.3 million for 2023.

Income from operations grew by 57.9% to HKD11.4 million for the year ended March 31, 2024, from HKD7.2 million for 2023.

Net income also grew by 57.9% to HKD9.9 million for the year ended March 31, 2024, from HKD6.3 million for 2023. Earnings per share was HKD0.62 for the year ended March 31, 2024, compared to HKD0.39 for 2023.

## Revenue

Revenue increased by 47.1% to HKD67.0 million (US\$8.6 million) for the year ended March 31, 2024 from HKD45.5 million for the year ended March 31, 2023. The increase was principally driven by a significant increase in sales in our hair styling and trimmer series, and new tooling revenue generated from manufacturing multiple tools, molds and assembly equipment as part of tooling program for our customers, which are mostly driven by engaging new customers.

The following table shows disaggregated revenue by sales of major products and sales of tooling for the years ended March 31, 2024 and 2023.

*(HKD in millions, differences due to rounding)*

### **Sales of products**

#### **Hair styling series**

#### **Trimmer series**

#### **Eyelash curler**

#### **Nail care series**

#### **Other personal care appliances**

### **Sales of tooling**

#### **Total**

<b>Years Ended March 31,</b>	
<b>2024</b>	<b>2023</b>
HKD 31.8	28.2
22.7	8.6
0.8	1.4
1.4	1.2
3.2	3.0
7.0	3.1
66.9	45.5

## Operating expenses

Merchandise costs increased by 52.9% to HKD52.1 million (US\$6.7 million) for the year ended March 31, 2024 from HKD34.0 million for the year ended March 31, 2023. The increase was in line with the increase in our revenue.

Selling, general and administrative expenses were HKD3.5 million (US\$0.5 million) for the year ended March 31, 2024, as compared to HKD4.3 million for the year ended March 31, 2023. The decrease is mainly due to declines in staff costs, selling and marketing expenses, and in depreciation for our property and equipment, which are partially offset by increases in transport and travelling expenses, legal and professional fee and in other general and administrative expenses.

## Income from operations

Overall income from operations increased by 57.9% to HKD11.4 million (US\$1.5 million) for the year ended March 31, 2024 from HKD7.2 million for the year ended March 31, 2023. The increase was principally driven by a significant increase in sales in our hair styling and trimmer series, and new tooling revenue generated from manufacturing multiple tools, molds and assembly equipment as part of tooling program for our customers as well as engaged new customers.

## Total other income, net

Total other income, net, increased by 366.7% to HKD1.4 million (US\$178,165) for the year ended March 31, 2024 from HKD0.3 million for the year ended March 31, 2023. The increase was mainly driven by significant growth in interest income.

## Provision for income tax expense

Income tax expenses amounted to HKD2.8 million (US\$359,959) for the year ended March 31, 2024 and amounted to HKD1.2 million for the year ended March 31, 2023.

## Net income

Net income increased by 57.9% to HKD9.9 million (US\$1.3 million) for the year ended March 31, 2024 as compared to HKD6.3 million for the year ended March 31, 2023. The increase in net income was predominantly due to an increase in

revenue and interest income and a decrease in selling, general and administrative expenses.

## **Recent development**

On May 17, 2024, the Company announced the closing of its initial public offering (the "IPO") of 1,500,000 ordinary shares (the "Ordinary Shares") at a price of \$4 per share for total gross proceeds of \$6,000,000, before deducting underwriting discounts and other offering expenses. The Ordinary Shares began trading on Nasdaq Capital Market on May 15, 2024, under the ticker symbol "RAY". On July 5, 2024, the Company announced it completed sale of an additional 113,083 ordinary shares pursuant to the partial exercise of the underwriters' over-allotment option granted in connection with the IPO, at the IPO price of \$4 per share, less underwriting discounts. As a result, the Company has raised a total gross proceeds of \$6,452,332, before deducting underwriting discounts and offering expenses.

## **About Raytech Holding Limited**

Raytech Holding Limited is a Hong Kong-headquartered company with over 10 years of experience in the personal care electrical appliance industry. Through its operating subsidiary in Hong Kong, it sources and wholesales a diverse range of personal care electrical appliances ranging from hair styling, tooling, trimmer, eyelash curler, neck care, to nail care and other body and facial care appliances for international brand owners, providing integrated product design, production processing, and manufacturing solutions. For more information please visit: <https://ir.raytech.com.hk/>.

## **Forward-Looking Statement**

This press release contains forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. When the Company uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "estimate" or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual results to differ materially from the Company's expectations discussed in the forward-looking statements. These forward-looking statements are subject to uncertainties and risks including, but not limited to, the uncertainties related to market conditions, and other factors discussed in the "Risk Factors" section of the registration statement and the Annual Report on Form 20-F for the fiscal year ended March 31, 2024 filed with the SEC. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. Additional factors are discussed in the Company's filings with the SEC, which are available for review at [www.sec.gov](http://www.sec.gov). The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

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**RAYTECH HOLDING LIMITED**  
**CONSOLIDATED BALANCE SHEETS**

	As of March 31,		
	2023	2024	2024
	HKD	HKD	US\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	21,362,580	35,885,666	4,585,500
Accounts receivable, net	6,787,330	14,557,523	1,860,172
Amount due from a director	992,026	145,166	18,550
Merchandise inventories, net	—	1,855,686	237,121
Taxes receivables	514,007	395,005	50,474
Prepayments	95,000	5,000	639
<b>TOTAL CURRENT ASSETS</b>	<b>29,750,943</b>	<b>52,844,046</b>	<b>6,752,456</b>
<b>NON-CURRENT ASSETS</b>			
Property and equipment, net	4,868	—	—
Right-of-use assets – operating lease	85,477	—	—
Deferred initial public offering costs	3,176,871	5,252,768	671,203
Long-term deposits	34,200	16,200	2,070
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,301,416</b>	<b>5,268,968</b>	<b>673,273</b>
<b>TOTAL ASSETS</b>	<b>33,052,359</b>	<b>58,113,014</b>	<b>7,425,729</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	735,528	732,340	93,579
Accounts payable - related party	8,768,420	24,278,340	3,102,306
Accruals	616,078	1,018,618	130,160
Contract liabilities	1,705,854	1,008,415	128,856
Operating lease obligation, current portion	87,972	—	—
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,913,852</b>	<b>27,037,713</b>	<b>3,454,901</b>
<b>OTHER LIABILITIES</b>			
Operating lease obligation, net of current portion	—	—	—
<b>TOTAL LIABILITIES</b>	<b>11,913,852</b>	<b>27,037,713</b>	<b>3,454,901</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Ordinary Shares, US\$0.00000625 par value, 8,000,000,000 Ordinary Shares authorized, and 16,000,000 Ordinary Shares issued and outstanding as of March 31, 2023 and 2024, respectively <sup>(1)</sup>	783	783	100
Additional paid-in capital	99,217	99,217	12,678
Retained earnings	21,038,507	30,975,301	3,958,050
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>21,138,507</b>	<b>31,075,301</b>	<b>3,970,828</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>33,052,359</b>	<b>58,113,014</b>	<b>7,425,729</b>

For the Years ended March 31,				
	2022	2023	2024	2024
	HKD	HKD	HKD	US\$
<b>REVENUE</b>				
Sales of products	45,105,917	42,382,764	59,966,287	7,662,542
Sales of tooling	—	3,135,475	7,006,014	895,234
Total revenue	<u>45,105,917</u>	<u>45,518,239</u>	<u>66,972,301</u>	<u>8,557,776</u>
<b>OPERATING EXPENSES</b>				
Merchandise costs	(33,001,491)	(34,046,287)	(52,067,436)	(6,653,220)
Selling, general and administrative expenses	(1,379,989)	(4,277,677)	(3,545,369)	(453,030)
Total operating expenses	<u>(34,381,480)</u>	<u>(38,323,964)</u>	<u>(55,612,805)</u>	<u>(7,106,250)</u>
<b>INCOME FROM OPERATIONS</b>	<u>10,724,437</u>	<u>7,194,275</u>	<u>11,359,496</u>	<u>1,451,526</u>
<b>OTHER INCOME (EXPENSE)</b>				
Interest income	327	143,352	1,416,354	180,983
Interest expense	(1,676)	(7,151)	(2,028)	(259)
Gain (loss) from foreign currency exchange	452	143,450	(20,846)	(2,664)
Government grants	452,250	—	—	—
Other income, net	4,588	—	818	105
Total other income, net	<u>455,941</u>	<u>279,651</u>	<u>1,394,298</u>	<u>178,165</u>
INCOME BEFORE INCOME TAX PROVISION	11,180,378	7,473,926	12,753,794	1,629,691
PROVISION FOR INCOME TAXES	(1,739,988)	(1,181,056)	(2,817,000)	(359,959)
<b>NET INCOME</b>	<u>9,440,390</u>	<u>6,292,870</u>	<u>9,936,794</u>	<u>1,269,732</u>
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES</b>				
Basic and diluted <sup>(1)</sup>	<u>16,000,000</u>	<u>16,000,000</u>	<u>16,000,000</u>	<u>16,000,000</u>
<b>EARNINGS PER SHARE</b>				
Basic and diluted	<u>0.59</u>	<u>0.39</u>	<u>0.62</u>	<u>0.08</u>

<sup>(1)</sup> Giving retroactive effect to the 160,000-for-1 share split effected on May 10, 2023.

**RAYTECH HOLDING LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Years ended March 31,				
	2022	2023	2024	2024
	HKD	HKD	HKD	US\$
<b>Cash flows from operating activities</b>				
Net income	9,440,390	6,292,870	9,936,794	1,269,732
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation of plant and equipment	20,433	13,924	4,868	622
Amortization of right-of-use asset	17,095	102,573	85,477	10,922
Gain from unrealized foreign currency translation	(452)	178,454	(61,043)	(7,799)
Changes in operating assets and liabilities				

Accounts receivable, net	(4,060,535)	(907,711)	(7,755,205)	(990,967)
Merchandise inventories, net	1,947,812	—	(1,855,686)	(237,121)
Prepayments	(90,000)	(5,000)	90,000	11,500
Long-term deposits	(17,200)	(5,200)	18,000	2,300
Accounts payable	130,100	(119,019)	(5,441)	(695)
Accounts payable - related party	1,035,048	4,682,655	15,554,384	1,987,552
Accruals	—	566,078	402,540	51,437
Contract liabilities	—	1,705,854	(697,439)	(89,119)
Operating lease obligation	(16,324)	(100,849)	(87,972)	(11,241)
Taxes payables	(177,423)	(1,442,797)	119,002	15,206
Net cash provided by operating activities	<u>8,228,944</u>	<u>10,961,832</u>	<u>15,748,279</u>	<u>2,012,329</u>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(11,700)	—	—	—
Repayment by the director	2,215,728	1,444,872	846,860	108,212
Net cash provided by investing activities	<u>2,204,028</u>	<u>1,444,872</u>	<u>846,860</u>	<u>108,212</u>
<b>Cash flows from financing activities</b>				
Deferred initial public offering cost	—	(3,176,871)	(2,075,897)	(265,260)
Dividend payments	(1,558,000)	—	—	—
Net cash used in financing activities	<u>(1,558,000)</u>	<u>(3,176,871)</u>	<u>(2,075,897)</u>	<u>(265,260)</u>
<b>Change in cash</b>	<u>8,874,972</u>	<u>9,229,833</u>	<u>14,519,242</u>	<u>1,855,281</u>
<b>Effect of foreign exchange on cash</b>	—	(157,725)	3,844	491
<b>Cash at the beginning of the year</b>	<u>3,415,500</u>	<u>12,290,472</u>	<u>21,362,580</u>	<u>2,729,728</u>
<b>Cash at the end of the year</b>	<u><u>12,290,472</u></u>	<u><u>21,362,580</u></u>	<u><u>35,885,666</u></u>	<u><u>4,585,500</u></u>
<b>Supplementary cash flow information</b>				
Cash paid for income tax	<u>2,144,284</u>	<u>2,619,407</u>	<u>2,697,998</u>	<u>344,752</u>
Cash paid for interest expense	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>