



EVA Precision Industrial Holdings Limited

億和精密工業控股有限公司

Stock code: 838 HK



ANNUAL RESULTS  
PRESENTATION

MARCH 2023

# BUSINESS HIGHLIGHTS



# BUSINESS HIGHLIGHTS



- We are one of the few high-end manufacturers in China capable of **designing and manufacturing** moulds and components with **high precision and dimensional accuracies** which are key to high quality **office automation (“OA”) equipment** and **automotive components**.
- Our **unique one-stop Design and Electronic Manufacturing Service (“DEMS”)** covering a wide range of production processes, including product conceptualisation and design, development of moulds, production of components and parts, assembly of semi-products, and testing and quality control, provides strong incentives for customers to increase their procurements from us, as this can enable them to manufacture products with high customisation and effectively reduce the additional logistics costs and excess production lead time that arise from outsourcing different production processes to different suppliers.
- Currently, we are operating **12 major production bases** scattered across **China (Shenzhen, Suzhou, Zhongshan, Chongqing, Sichuan, Wuhan and Weihai), Vietnam (Haiphong) and Mexico (San Luis Potosí)**.
- During the year, the Group **successfully integrated** the production capacity of **EVA Intelligent Manufacturing**, which was acquired in April 2021, with that of the **Shenzhen industrial park**, allowing it to reap synergies and notably reduce operating costs such as wages, rental and administrative expenses, while making the best of its existing production capacity and resources.

## BUSINESS HIGHLIGHTS (CONT'D)



- During the year, driven by the strong business performance in **Vietnam** and **Mexico**, the Group's **turnover increased by 22.7%** year-on-year to **HK\$6,268,065,000** (2021: HK\$5,108,777,000). The Group's **overall gross profit margin** for the year **rose slightly to 20.0%**, 0.2% percentage point up against last year (2021: 19.8%). **Profit** attributable to shareholders was **up 32.8%** reaching **HK\$206,017,000** (2021: HK\$155,190,000). **Basic earnings per share rose 31.1%** year-on-year to **HK11.8 cents** (2021: Basic earnings per share of HK9.0 cents). A **final dividend of HK1.76 cents** per ordinary share, was declared by the Directors of the Company for the year ended 31 December 2022.
- During the year, the segmental turnover of the **OA equipment business grew 20.3% to HK\$4,502,285,000** (2021: HK\$3,743,273,000). The increase was mainly a result of the strong growth in business in **Vietnam** and the **strategic acquisition of EVA Intelligent Manufacturing**.
- The **turnover** in **Shenzhen's OA equipment business** was **up by 9.0%** year-on-year. Of such growth, about **7.6%** were attributable to the increase in orders after the **acquisition of EVA Intelligent Manufacturing**, credited to major customers like Fujifilm, and the remaining were from organic growth.
- In **Vietnam**, since the industrial park started operation in 2017, business in the country has been growing rapidly, with **turnover** for the year **up by 123.7%** year-on-year. The surge was mainly resulted from the Group having made **strategic deployment** a few years ago to move the processing of certain Japanese customers' orders from China to Vietnam, in line with these customers expanding their production bases to Southeast Asia.

## BUSINESS HIGHLIGHTS (CONT'D)



- Currently, **orders received for the Vietnam production base** have already **exceeded its output capacity**. To meet customer needs in limited time, the Group has shifted some orders to a temporarily leased new factory nearby so as to maintain an overall stable utilisation rate in Vietnam. We may also **consider expanding the Vietnam industrial park** in response to future market changes. We hope to take advantage of Vietnam's **low labour costs** and **tax incentives** to expand our business and raise profit, continuing to **realize growth in both revenue and profit**.
- During the year, the **OA equipment business segment** reported **profit** amounting to **HK\$253,507,000** (2021: HK\$138,926,000), representing a year-on-year **growth of 82.5%**. The significant growth was primarily attributable to the aforementioned growth trend pushing up the segmental turnover, plus the Group's utilisation rate returning to normal, and the **Vietnam business** booming quickly with its **low cost environment** which helped widening **profit margin** to approximately **5.6%** (2021: 3.7%).
- During the year, the **automotive component segment** received large quantity of new orders, driving year-on-year sales growth in **Mexico, Chongqing and Wuhan** and in turn an approximately **29.3% growth** in revenue year-on-year to **HK\$1,765,780,000** (2021: HK\$1,365,504,000).

## BUSINESS HIGHLIGHTS (CONT'D)



- The **turnover** of **Wuhan industrial park** for the year **increased significantly**, by approximately **81.1%** year-on-year, attributable to the **new Great Wall Motors project commencing production**, and the relatively unsatisfactory business performance in the previous year due to the pandemic and chip shortage. In **Chongqing**, although the pandemic disrupted production activities of factories in Shanghai in 2022, the Group's turnover still **grew** approximately **5.5%**.
- **Mexico** continues to serve as an important bridge for the Group to reach customers in the US and European markets. In 2022, as production for new project orders started gradually, the Mexico operation recorded an **80.0% surge in turnover**. To meet increasing orders, the Group **invested in new 1250T and 2500T presses** in the Mexico Industrial Park during the year and the presses plus a new welding production line are expected to be **put to use from 2023 onwards**.
- In 2022, although the surge in orders provided a strong impetus to the automotive component segment to grow and develop, the **automobile industry** itself was affected by the **unstable international environment**, such as the global shortage of chips, the Russian-Ukrainian war, inflation and interest rate hikes, etc. As such, although the Group's automotive component orders and turnover continued to increase, the **segment's** profitability was unimpressive, recording **profit** of approximately **HK\$101,824,000** during the year (2021: HK\$126,844,000) with **segment profit margin** significantly **down to approximately 5.8%** (2021: 9.3%).

# CORPORATE OVERVIEW



# COMPANY AT A GLANCE



## Major Business

- A **vertically-integrated** precision metal and plastic mould and component manufacturing service provider **capable of product design and development which offers high customisation products to our customers.**
- Started off in 1993 in OA equipment market, which has been oligopolised by Japanese brand owners and requires very **high dimensional accuracy** standards to prevent paper jam and distorted images.
- Expansion into **automotive component** market in 2011.

## Growth Drivers

- Market share gain in OA equipment market through vertically integrated one stop solution and an accelerating trend for the customers to concentrate more of their purchases on high quality suppliers like the Group.
- Utilised **precision engineering expertise** to capture the increasing demand for sophisticated moulds and components tailored for high quality vehicles, smart devices and high-end consumer electronics products.
- Geographical expansion into Vietnam and Mexico where our customers in OA equipment and automotive component markets had also established assembly plants.
- Expansion of production facilities in Weihai, China under the invitation of **Hewlett-Packard.**

## Market Position

- Our **ability to design and develop, precision engineering expertise** and **laser welding technology** distinguish ourselves from other low end manufacturers.
- Well recognised by renowned Japanese brand owners, including **Canon, Ricoh, Fujifilm, Kyocera and Konica Minolta** etc, which are well known for their demanding quality and production management requirements.
- Successful track record in substituting Japanese suppliers in OA equipment market.
- Reputable customers in automotive component sector e.g. **Great Wall Motors , BYD, Tesla, Faurecia, Brose, Gestamp and ZF.**

## Business Scale

- **Twelve major production bases in operations:** 3 in Shenzhen, 1 in Suzhou, 1 in Zhongshan, 1 in Chongqing, 1 in Sichuan, 1 in Wuhan, 2 in Weihai, 1 in Haiphong (Vietnam) and 1 in Mexico.



# VERTICALLY INTEGRATED ONE-STOP SERVICES



## 1. Mould design and production

- Joint co-development of moulds with customers during customers' product development stages.
- Production and testing of moulds by EVA.
- Upon completion of moulds, fees are charged to the customers for the design and production of moulds i.e. titles of moulds are transferred to customers. However, the completed moulds are consigned in EVA's industrial parks for the future mass production of components.

## 2. Component production using completed moulds

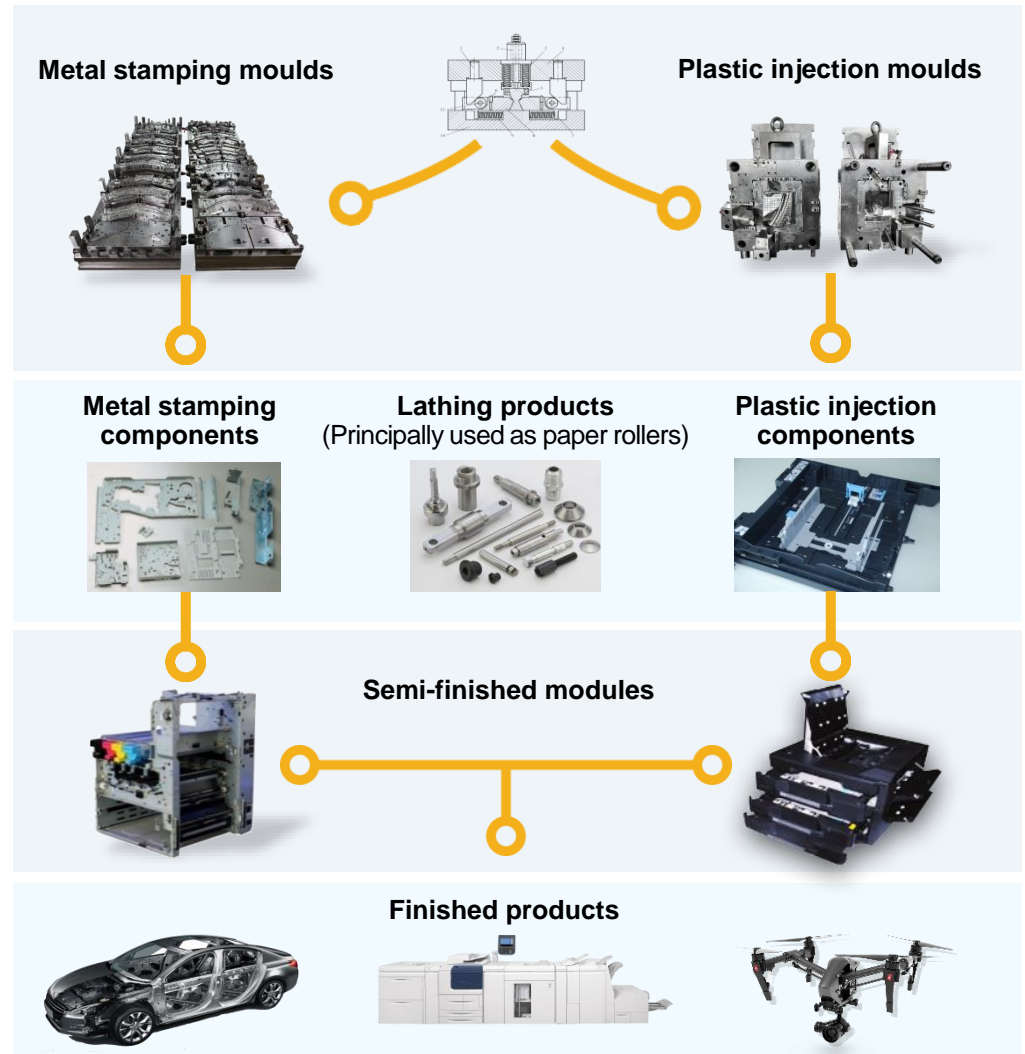
- Mass production of components by using the completed moulds consigned at EVA's industrial parks.

## 3. Individual components assembled into semi-finished products

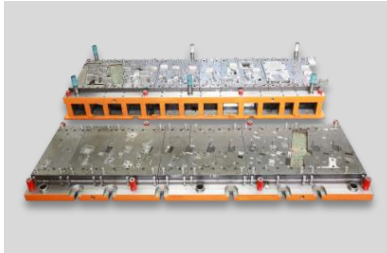
- Assembly of various components into semi-finished modules through high precision laser welding and other assembly processes.

## 4. Semi-finished products finally assembled into finished products (Office automation equipment)

- Assembly of finished products through high precision laser welding and other assembly processes.

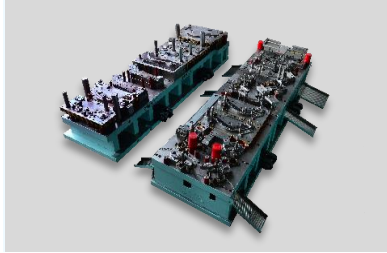


# INDUSTRY LEADING TECHNOLOGIES



## Mould is the “Mother Tool” of manufacturing

- Products are replicated from moulds.
- Quality of a mould has a decisive impact on the quality of a product.
- A 1/1,000th mm defect in a mould will result in a 1/100th mm defect in the product.
- Demand very high level of engineering skills, sophistication and technology.



## Shorten production lead time

- Essential for hi-tech and consumer electronics markets as product life cycle becomes shorter and shorter.
- High quality moulds eliminate the needs for subsequently fine-tuning or repairing products that would otherwise be required if low quality moulds are used.



## In a different league from low end OEMs

- EVA is one of the few hi-tech companies in China capable of producing moulds with precision and dimensional accuracies comparable to overseas peers such as Japanese or German manufacturers.



## Production automation to improve efficiency

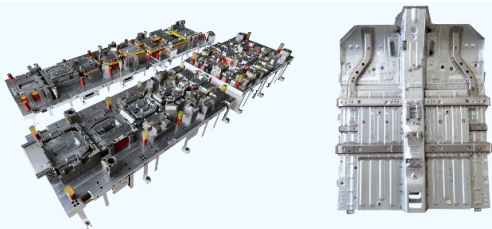
- EVA introduces innovative automation solutions to its production lines to streamline headcount and reduce costs.
- Remarkably improve efficiency and reduce product deficiency rate by eliminating manual errors.

# INDUSTRY LEADING TECHNOLOGIES (CONT'D)

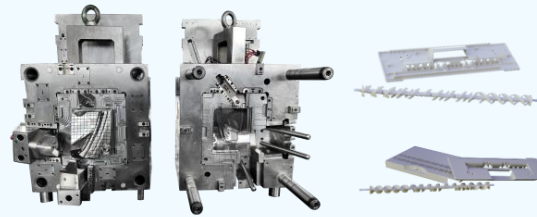


## Products

### Metal stamping moulds and components



### Plastic injection moulds and components



### Lathing components



## Product Sophistication

- High-precision metal stamping moulds of 0.005mm precision.
- Deficiency rate of below 10 PPM (<10 defected outputs for every 1 million units of components produced).
- 30-45 days production lead-time for moulds (market average 90-120 days).

- Moulds for thin-walled plastic products with thickness of only 0.2mm.
- Moulds for high-precision plastic gears.
- Light-weight and high-precision plastic rollers for paper pickup and image forming.
- In-mould decoration (IMD) and environmental friendly hot runner technologies.

- High-precision shafts mainly used as paper rollers.
- Diameter distortion less than 0.02mm.
- Efficient simultaneous processing of different lathing procedures.
- Capable of producing shafts from multiple materials including aluminum, plastic and steel.

# INDUSTRY LEADING TECHNOLOGIES (CONT'D)



## Products



Laser welding



Robotic assembly



Computerised inspection device

## Product Sophistication

- Traditionally used in aviation and luxury sport car industries.
- Low temperate welding to minimise excessive melting and distortion during welding process, and thus eliminate the need for secondary processing.
- Concentrated laser beam with welding area of  $< 0.2\text{mm}$  i.e. small heat-affected zones suitable for handling highly precise components.

- Self-developed robotic systems to automate assembly process.
- Accelerate production lead time by 40% compared to manual assembly.
- Significantly reduce the cost of labour.
- Essential for producing high tensile structural parts for automobiles and precision equipment.

- Self-developed devices with built-in red ray systems for testing dimensional accuracies.
- Capable of detecting defects of less than  $0.01\text{mm}$ .
- Remarkably reduce product deficiency rate and eliminate manual inspection error.
- Accelerate product inspection time by 70% compared to manual inspection.

# OFFICE AUTOMATION (OA) EQUIPMENT



## Leading position in the industry

- Customers include world-class OA equipment brand owners which are well known for their demanding quality requirements.
- Well established customer base covering all major brand owners which together dominate the market.

## Increasing involvement in product design

- Necessary for the customers to obtain production feasibility advices from the Group when they design new products.
- The Group has already set up a new product development team to work closely with the customers' product design departments in Japan.
- Solidify business relationships with the customers through involvement at the early stage of product development.

## Leading position in the industry

- The supplier base of OA equipment market is presently fragmented.
- Other suppliers in this market are highly specialised in product type i.e. they are unable to produce a wide range of components in OA equipment like EVA.
- Market share gain through **vertically integrated one-stop solution**.
- Major customers also have plans to gradually scale down their internal production lines in China and increase the purchases from reliable suppliers like EVA.
- Gradually expanding **domestic market** in China. **Market size** is estimated to reach **RMB800 billion** by 2025.



**EPSON**  
EXCEED YOUR VISION

**RICOH**  
imagine. change.

**KYOCERA**



**TOSHIBA**

**Canon**

**brother**  
at your side

**FUJIFILM**

**KONICA MINOLTA**



# OFFICE AUTOMATION (OA) EQUIPMENT (CONT'D)



## Geographical coverage

- In China, we have two industrial parks i.e. EVA Shenzhen (Shiyan) Electronic Industrial Park and EVA Suzhou Electronic Industrial Park to serve the major assembly plants of our OA equipment customers in Southern and Eastern China.
- We also have an industrial park in Haiphong, Vietnam which had commenced production in late 2016 to serve the assembly plants of OA equipment customers in Vietnam. Phase two of the Vietnam industrial park was completed in 2019.
- In 2017, the Group was invited by HP to establish a new industrial park in Weihai, Shandong Province, China. By October 2020, transition from the temporary factory in Weihai to the new self-constructed industrial park was substantially completed. The new industrial park in Weihai has already commenced full operation in 2021.



EVA Weihai (Double Islands Bay)  
Electronic Industrial Park



EVA Vietnam (Haiphong)  
Electronic Industrial Park

## Market overview

In the recent year, apart from developing existing overseas markets, the Group has also strived to expand the Mainland market and into the information technology application innovation (“ITAI”) industry. With the support of national policies, the ITAI industry has grown rapidly. According to the “Market research report on the information technology application innovation ecosystem in China in 2021” published by the China Software Industry Association, the industry will grow at a CAGR of 37.7% to reach RMB800 billion worth by the end of 2025. To localise printer production is an important part of ITAI’s localization exercise, and the management sees a very promising outlook when it comes to industry demand. As a market leader in providing fundamental hardware, the Group, armed with top-notch manufacturing technologies and D-EMS product advantages, is cooperating with customers such as Lenovo, Huawei, TOEC and Great Wall Information on co-developing and introducing various products. Such efforts are expected to help enlarge the Group’s market share in Mainland China.

# AUTOMOTIVE COMPONENTS



## Geographical coverage

- In China, we have four industrial parks, namely, Digit Chongqing Automobile Industrial Park, Digit Wuhan Automobile Industrial Park, EVA (Guangming) Precision Manufacturing Industrial Park and Digit Zhongshan Automobile Industrial Park serving the local automakers and the domestic market in China.
- We also have an industrial park in San Luis Potosí, Mexico, which had commenced production in late 2019 to serve the automakers and automotive component markets in North America.
- Construction of a new phase two of the Mexico industrial park was completed in 2022.

## Market overview

With the society's focus on energy savings, reduced emissions and low-carbon footprints, NEVs are set to become a key business growth driver for the automotive components sector and demand is also expected to increase in the near term. The China Automobile Association predicts that total vehicle sales in 2023 will climb to 27,600,000 units, while total new energy vehicle sales will rise to 9,000,000 units, presenting enormous room for growth for the industry. As for market development, the Group focused on developing NEV customers in Zhongshan and during the year, several new projects with "three-electric systems" customers have also been commenced. In Chongqing, the Group has also started the mould business for the high-end NEV brand AVATR, which is jointly developed by Great Wall Motors, Huawei, and CATL, and is putting major effort into developing NEV business of the hot-selling models of Great Wall Motors, laying a solid foundation for sustainable growth in Chongqing in the foreseeing future. The Group's commencement of its long-term collaborations with BYD during the year is also conducive to achieving the Group's overall business development and strategic objectives in the new energy vehicles sector.



Digit Mexico (SLP) Automobile Industrial Park



Digit Zhongshan Automobile Industrial Park



Digit Wuhan Automobile Industrial Park

# AUTOMOTIVE COMPONENTS (CONT'D)

## Overview

- Acquired in 2011 through the purchase of an automobile mould company.
- To source orders from automobile makers in Chongqing and adjacent cities such as Ford, Mazda, Changan, SGMW, Webasto and Great Wall Motors.
- 2,000T fully automated servo line and robotic welding lines capable of producing components for high tensile parts of automobiles, which require high safety and anti-collision standards.

## Digit Chongqing Automobile Industrial Park



Factory Building



Automated Robotic Welding



2,000T Servo Line



# AUTOMOTIVE COMPONENTS (CONT'D)

## Digit Wuhan Automobile Industrial Park

- Commenced commercial production in early 2014.
- Currently produces moulds and components and provides automated welding for high tensile parts primarily used for passenger cars such as the Dongfeng Citroen and Peugeot series.
- Other existing and targeted customers include the automakers located in Wuhan and adjacent cities, such as Great Wall Motors, BYD, Dongfeng, Honda, Topre and General Motors.



Factory Building



Automated Stamping Production Line



2,700T Servo Line

# AUTOMOTIVE COMPONENTS (CONT'D)

## EVA (Guangming) Precision Manufacturing Industrial Park and Digit Zhongshan Automobile Industrial Park

- EVA (Guangming) Precision Manufacturing Industrial Park was purposely built in 2008 to extend the application of our precision moulds from just OA equipment to a wider range of applications such as automobiles. It is capable of producing moulds for various parts of automobiles including car seat frames, exhausted systems and high tensile parts. It now serves as the Group's mould R&D centre.
- Digit Zhongshan Automobile Industrial Park was merged into EVA's automobile business line in 2015, targeting at automobile components.
- These two industrial parks are set to serve the automobile market in Guangdong Province, in which reputable automakers and tier-one suppliers such as Faurecia, Brose, Aisin, Yachiyo, Adient and Gestamp are located.



# AUTOMOTIVE COMPONENTS (CONT'D)

## Digit Mexico (SLP) Automobile Industrial Park

- In 2017, we were invited by an existing automobile customer to establish a new industrial park in San Luis Potosí, Mexico.
- The development of the new Mexico industrial park is divided into phases. Construction of phase one was completed in 2019 and had commenced production. It is located at Parque Industrial Logistik, San Luis Potosí, Mexico.
- To source orders from automakers and multi-national tier-one suppliers located at San Luis Potosí and its adjacent states, such as Tesla, BMW, Volkswagen, Audi, General Motors, Fiat Chrysler, Brose, Faurecia and Gestamp.
- The Group has commenced in 2020 the construction of the second phase of the industrial park in order to cater to the high demand and low supply in Mexico. The new second phase of the industrial park will have a land area of approximately 34,000 square metres, which is significantly larger than the existing industrial park of approximately 16,000 square metres in its floor plan.
- The new second phase of the industrial park was completed in the first quarter in 2022 and production has been commenced.



Volkswagen



FIAT CHRYSLER AUTOMOBILES



Stamping Production Line



Digit Mexico (SLP) Automobile Industrial Park



faurecia

brose  
Excellence in Mechatronics

# AUTOMOTIVE COMPONENTS (CONT'D)

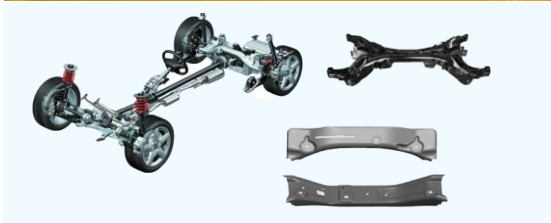


## Product Overview

### Body structures



### Chassis



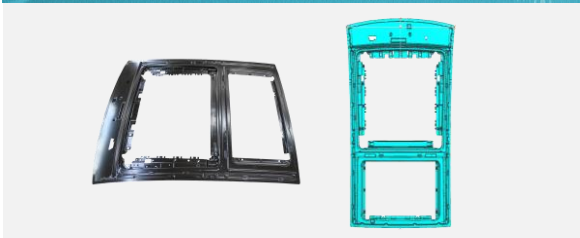
### Battery covers



### Automobile seat frames



### Sunroof frames



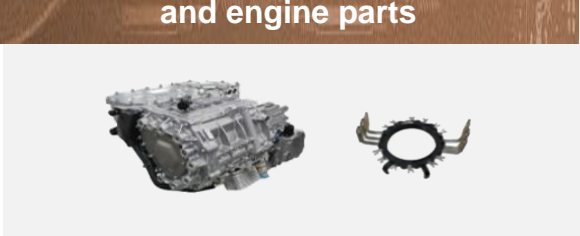
### Onboard storage battery systems



### Photovoltaic inverter parts



### Electronic control and engine parts



# INTERNET SERVER BUSINESS

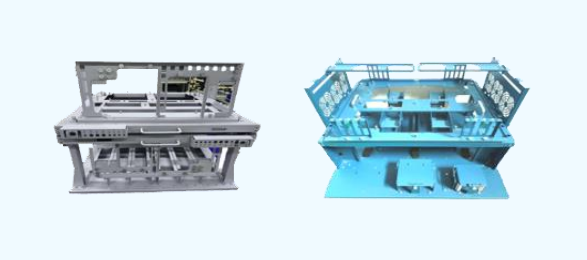


## Products Overview

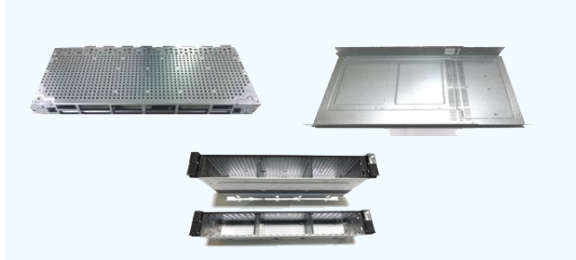
### Server chassis



### Test server frames



### Pull handles and other components



## Manufacturing Advantages

- High degree of production automation and stable quality
  - Stamping (continuous mould and progressive mould) automation
  - Secondary processing automation
- Laser welding instead of traditional process
  - No riveting
  - No pop-rivet
  - Simplified structure and mould
- Full equipment assembly service



Bending machine



Full equipment assembly line



TruPunch punching machine



Stamping production line

# OUR COMPETITIVE STRENGTH



## Technology

- One of the few manufacturers in China capable of **product design and development**, producing moulds with **high precision and dimensional accuracies**
- State-of-the-art** technology and equipment
- Strategic partnership with numerous universities for research and development



## Customer Accolades

- Solid track record in serving **world-class customers** such as **Canon, Fujifilm, Konica Minolta, Ricoh, HP, Dongfeng, Great Wall Motors, BYD, Faurecia and Brose**, which are well known for their demanding quality requirements
- Long-term partnership** with renowned customers clearly demonstrated by their invitation of us to establish new industrial parks in Weihai, Vietnam and Mexico
- Invited by major customers to set up a new product development team to **work closely with the customers' product design departments in Japan**



## Management

- Strong management and engineering team** with more than 25 years of experience in industry
- Conservative financial management and efficient cash conversion cycle<sup>1</sup> over the years
- Dedicated to streamlining costs and headcount through production automation and other cost control measures

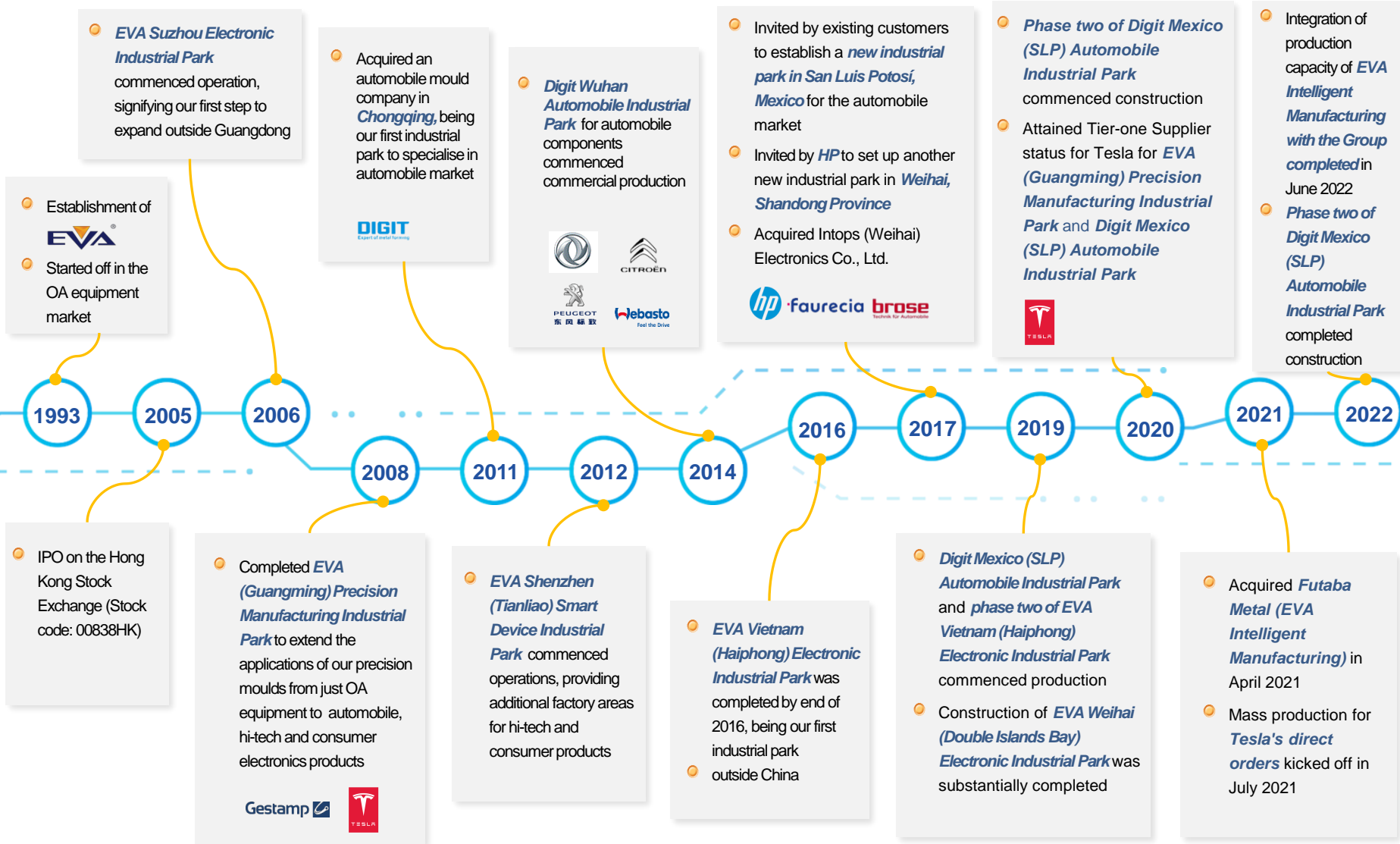


## Corporate Governance

- Constant dividend payouts** of roughly 30% of net profits since IPO
- Repurchased 12.5 million shares from the market in 2019 and January 2020 as well as 8.5 million shares in 2022 to **enhance earnings and net asset value per share** for all existing shareholders
- Received numerous accolades for corporate **social responsibilities and environmental protection**

Note 1: Cash conversion cycle is defined as the total sum of inventory and debtors' turnover days less creditors' turnover days

# KEY MILESTONES



# KEY MILESTONES



## EVA Shenzhen (Shiyan) Electronic Industrial Park

**GFA:**  
88,000 sq.m.  
**Land area:**  
43,000 sq.m.



## EVA Suzhou Electronic Industrial Park

**GFA:**  
82,000 sq.m.  
**Land area:**  
120,000 sq.m.



## Digit Chongqing Automobile Industrial Park

**GFA:**  
34,000 sq.m.  
**Land area:**  
94,000 sq.m.



## EVA Vietnam (Haiphong) Electronic Industrial Park

**GFA:**  
12,000 sq.m. (Phase 1)  
46,000 sq.m. (Phase 2)  
**Land area:**  
37,000 sq.m.



## EVA Shenzhen (Tianliao) Smart Device Industrial Park

**GFA:**  
48,000 sq.m.  
**Land area:**  
28,000 sq.m.



## Digit Zhongshan Automobile Industrial Park

**GFA:**  
35,000 sq.m.  
**Land area:**  
34,000 sq.m.



## Digit Wuhan Automobile Industrial Park

**GFA:**  
84,000 sq.m.  
**Land area:**  
343,000 sq.m.



## Digit (Chengyu) Automotive Industrial Park

**GFA:**  
70,000 sq.m.  
**Land area:**  
69,000 sq.m.



## EVA (Guangming) Precision Manufacturing Industrial Park

**GFA:**  
55,000 sq.m.  
**Land area:**  
42,000 sq.m.



## EVA Weihai (Double Islands Bay) Electronic Industrial Park

**GFA:**  
58,000 sq.m.  
**Land area:**  
349,000 sq.m.



## Digit Mexico (SLP) Automobile Industrial Park

**GFA:**  
52,000 sq.m.  
**Land area:**  
83,000 sq.m.

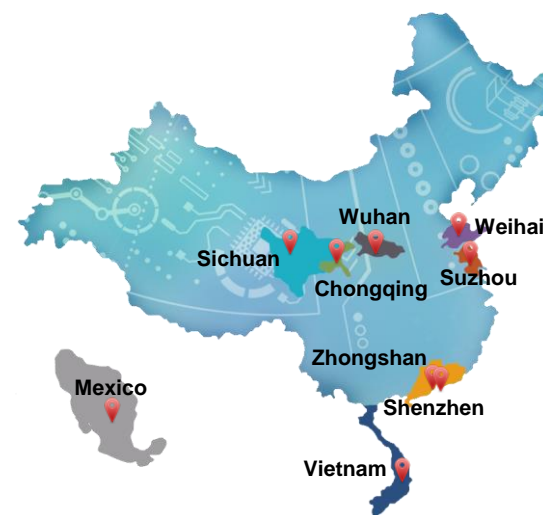


## EVA Weihai (Intops) Electronic Industrial Park

**GFA:**  
21,000 sq.m.  
**Land area:**  
33,000 sq.m.

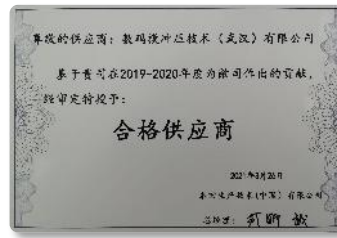


At present, the Group has twelve major production bases in operation in China, Vietnam and Mexico.





# MAJOR AWARDS AND ACCOLADES



Year	Honors	Company/Organisation
2000-2022	ISO9001 Certification	BSI Group
2003-2022	ISO14001 Certification	BSI Group
2004	Excellent Supplier Award	Toshiba
2004	Certificate of Green Activity	Canon
2004-2019	Very Valuable Vendor Award	Canon
2005	Chemical Substances Management System Certificate	Ricoh
2005	Acclamation Certificate	Konica Minolta
2007	Supplier Special Improvement Award	Fuji Xerox
2007-2010	Environmental Collaboration Program Certificate	Konica Minolta
2007-2011	Part-Defect on Arrival Zero Award	Konica Minolta
2009-2015	Golden Quality Award	Konica Minolta
2009	Distinguished Supplier Award	General Electric
2009-2017	EQCD Remarkable Contribution Award	Canon
2009-2017	Supplier QCC Forum Award	Kyocera
2009-2021	National High and New Technology Enterprise Certification	Chinese Government
2010	Special Contribution Award	Midea
2010	Product Assembly Service Certification	Kyocera
2011	Certificate in Chemical Substance Management Standard	Brother
2011-2020, 2022	Premiere Partner Award	Fujifilm

# MAJOR AWARDS AND ACCOLADES (CONT'D)



Year	Honors	Company/Organisation
2011-2019	Corporate Environmental Leadership Award	Federation of Hong Kong Industries
2011-2019	OHSAS18001 Certification	BSI Group
2012-2013	Special Contribution Award	Canon
2013-2017	Excellent Supplier Award	Dongfeng
2013-2019	Best Quality Award	Toshiba
2013	Mould Supplier Certification	FAW-Volkswagen
2014-2015	Excellent Supplier Award	Konica Minolta
2014-2016	Excellent Supplier Award	Canon
2014	Excellent Corporate Partner	Dongfeng
2014	Unit Improvement Contest Award	Canon
2015	Improvement Forum – Excellent Supplier Presentation Award	Fuji Xerox
2015	Gratitude Certificate	Shenzhen Aerospace
2016	Golden Quality Award	Samsung
2016	Excellent Improvement Award	Konica Minolta
2016	Excellent Supplier Award	Epson
2016	A Class Supplier Award	Brother
2016-2019	Comprehensive Assembly Capabilities Invitation Tournament Award	Canon
2016	Best Supplier Award	Toshiba
2017	Gratitude Certificate – External Component Procurement Activities	Konica Minolta

# MAJOR AWARDS AND ACCOLADES (CONT'D)



Year	Honors	Company/Organisation
2017	Sourcing Quality Assurance – Overall Excellence Award	Ricoh
2017	Strategic Partner Award	Supvan
2017	Fundamental Skills Invitation Tournament Award	Canon
2017	Supplier Partnership Award	Faurecia
2017	Best Delivery Award	Toshiba
2017-2018	Excellent Supplier Award	Faurecia
2018	Quality Acclamation Award	Konica Minolta
2018	Quality Improvement Award	Yamada
2018	Craftsmanship Award	Segway-Ninebot
2018	Certificate of Participation	Brose
2018	Procurement Premiere Partner – Bronze Award	Fuji Xerox
2018	Best Partner Award	Toshiba
2018	Outstanding Collaborative Supplier Award	Fuji Xerox
2018	Procurement Partner Award	Canon
2018	Supplier of the Year – Bronze Award	Chamberlain
2019	Cooperated Supplier Award	Kyocera
2019	Best Cooperation Award	MiTAC
2020	Best Quality Award	MiTAC
2020	Best Supplier Award	Segway-Ninebot
2020	Joint Innovation Award	Segway-Ninebot
2020-2022	ISO45001 Certification	BSI Group

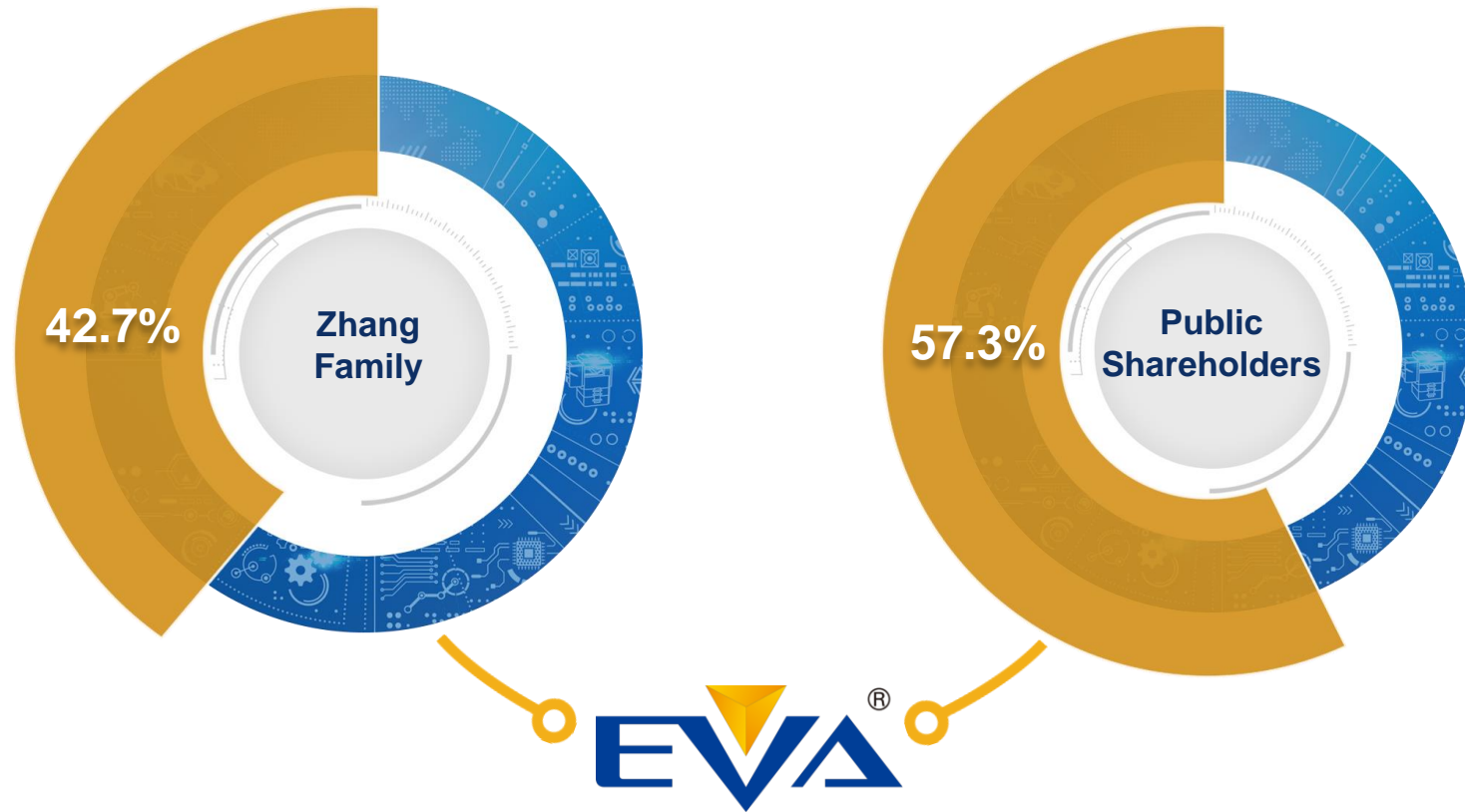
# MAJOR AWARDS AND ACCOLADES (CONT'D)



Year	Honors	Company/Organisation
2017-2021	Guangdong Top 500 Manufacturing Enterprise	Guangdong Manufacturers Association
2021-2022	Guangdong Top 500 Enterprise	Guangdong Provincial Enterprises Confederation & Guangdong Provincial Association of Entrepreneurs
2019-2022	Shenzhen Top 500 Enterprise	Shenzhen Enterprise Confederation & Shenzhen Entrepreneur Association
2021	Most Potential Supplier	Great Wall Motors
2020-2021	Best Commissioning Assurance Award	Great Wall Motors
2021	Best Supplier Award	MiTAC
2021	Strategic Partner	Fujifilm
2021	Excellent Quality Improvement Award	SGMW
2021	Excellent Logistics Cooperation Award	SGMW
2022	BLI 2022 Choice of the Year	Buyers Laboratory Inc., the United States
2022	Excellent Supplier Award	Faurecia



# SHAREHOLDING STRUCTURE



- Total number of shares in issue as at 30 March 2023 = 1,740,919,800 shares
- Outstanding share options of 119,200,000 options as at 30 March 2023

# EXPERIENCED MANAGEMENT TEAM



Management	Position	Credentials
Mr. ZHANG Hwo Jie	Chairman	<ul style="list-style-type: none"> <li>Co-founder of the Group</li> <li>More than 25 years of experience in marketing, strategic planning and corporate management in the precision moulding industry</li> <li>Responsible for the Group's overall strategic planning and marketing development</li> <li>Obtained "Young Industrialist Award of Hong Kong" in December 2008</li> <li>President honoris causa of Hong Kong Young Industrialists Council</li> <li>A member of the Chongqing Committee of the Chinese People's Political Consultative Conference</li> </ul>
Mr. ZHANG Jian Hua	Vice Chairman	<ul style="list-style-type: none"> <li>Co-founder of the Group</li> <li>Substantial experience in organisational planning, production facilities management and business risk monitoring in the precision moulding industry</li> <li>Responsible for the Group's organisational structure, production facilities management and business risk monitoring</li> <li>Previously worked for the tax bureau in Shenzhen and accumulated extensive experience in tax regulations and communications with government departments in China</li> </ul>
Mr. ZHANG Yaohua	CEO	<ul style="list-style-type: none"> <li>Co-founder of the Group</li> <li>More than 25 years of operational management experience in the precision moulding industry</li> <li>Responsible for the operation and management of the Group</li> <li>Chairman of Guangdong-Hong Kong-Macao Advanced Manufacturing Industry Alliance, vice chairman of the 8th executive committee of Shenzhen Federation of Industry &amp; Commerce, executive president of Shenzhen Machinery Association, vice president of Guangdong Die &amp; Mould Industry Association, Shenzhen Enterprise Confederation, Shenzhen Entrepreneur Association and Shenzhen General Chamber of Commerce</li> <li>Deputy supervisor of the Committee for Economic Affairs of the 6th Shenzhen Committee of the Chinese People's Political Consultative Conference</li> </ul>

# OUTLOOK



- The world was still facing severe challenges in 2022, such as Sino-US relations continuing to be tense and situation between Russia and Ukraine unstable, pushing up global inflation and affecting raw material supply and prices, which led to high operating costs for enterprises.
- Nevertheless, with COVID-19 having come to an end, the global economy is expected to gradually recover. Domestic and foreign consumption sentiment are also likely to improve. Management believes the industry as well as the Group itself are looking at a brighter future.
- Expecting demand for traditional products to decline, the management took action in advance to promote business diversification, R&D of new products and expansion of business to various markets.
- Looking ahead, the market will still be full of challenges and at the same time also opportunities. The Group will actively seek opportunities for acquisitions and forging strategic alliances so as to further strengthen its business foundation and expand its business footprint. Its hopes are to enlarge market share and drive long-term growth of its business.

# FINANCIAL INFORMATION

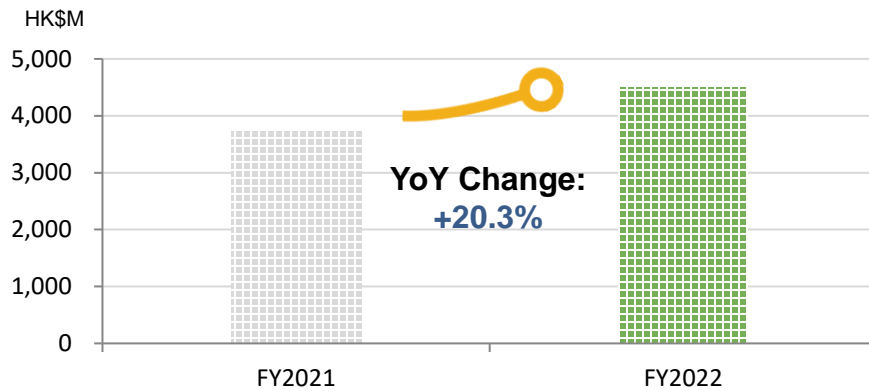




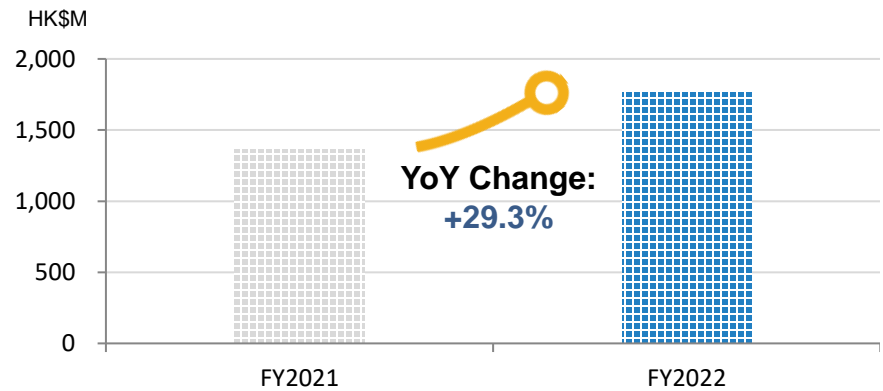
# 2022 BUSINESS RESULTS



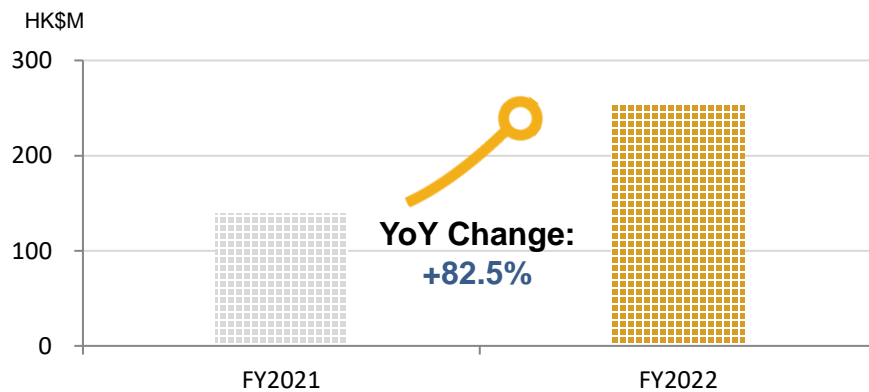
## Segment Turnover - Office Automation Equipment



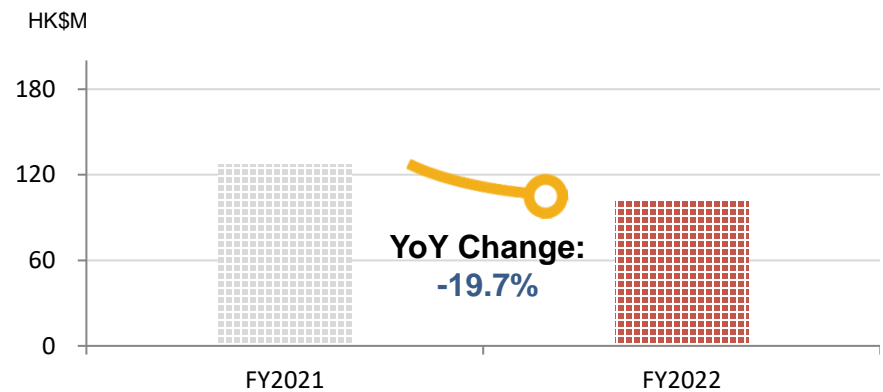
## Segment Turnover - Automotive Component



## Segment Profit - Office Automation Equipment



## Segment Profit - Automotive Component



# FINANCIAL PERFORMANCE



## Consolidated Income Statement

Expressed in HK\$'000	2022	2021	YoY Chg
<b>Revenue</b>	<b>6,268,065</b>	<b>5,108,777</b>	<b>23%</b>
Cost of sales	(5,016,754)	(4,096,058)	<b>22%</b>
<b>Gross profit</b>	<b>1,251,311</b>	<b>1,012,719</b>	<b>24%</b>
Other income	22,430	31,759	<b>-29%</b>
Other losses - net	(8,335)	(4,909)	<b>70%</b>
Selling and marketing costs	(369,162)	(314,933)	<b>17%</b>
General and administrative expenses	(615,446)	(505,690)	<b>22%</b>
Net impairment losses on financial assets	(7,622)	(24,350)	<b>N/A</b>
<b>Operating profit</b>	<b>273,176</b>	<b>194,601</b>	<b>40%</b>
Finance income	10,462	12,665	<b>-17%</b>
Finance costs	(53,837)	(27,510)	<b>96%</b>
Share of losses of associates	(210)	358	<b>-159%</b>
<b>Profit before income tax</b>	<b>230,591</b>	<b>180,114</b>	<b>28%</b>
Income tax expense	(24,574)	(24,924)	<b>-1%</b>
<b>Profit attributable to equity holders of the Company</b>	<b>206,017</b>	<b>155,190</b>	<b>33%</b>
<b>Dividend</b>	<b>61,315</b>	<b>46,972</b>	
<b>Operating net cash flows</b>	<b>372,353</b>	<b>259,284</b>	
<b>Gross Margin</b>	<b>20.0%</b>	<b>19.8%</b>	
<b>Operating Margin</b>	<b>4.4%</b>	<b>3.8%</b>	
<b>Net Margin</b>	<b>3.3%</b>	<b>3.0%</b>	
<b>Dividend Payout Ratio</b>	<b>29.8%</b>	<b>30.3%</b>	

The increase in the Group's turnover was primarily caused by an increase in orders from certain existing customers and the Group's effort to develop new customers during the year, as well as the additional contribution of revenue arisen from the acquisition of EVA Intelligent Manufacturing.

Gross profit margin increased to 20.0%, which was mainly driven by the increase in orders as mentioned above and the Group's utilisation rate returning to normal, as well as the Vietnam business booming quickly with its low cost environment which helped widening profit margin.

During the year, as a result of a increase in turnover as well as improved gross profit margin as mentioned above, the Group recorded operating profit of HK\$273,176,000 (2021: HK\$194,601,000).

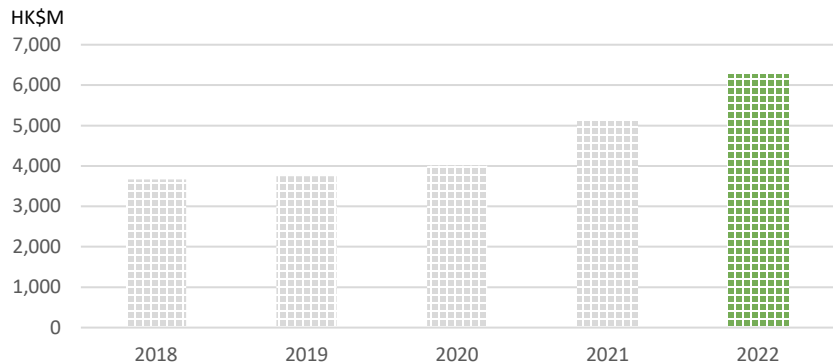
As a result, the Group recorded a net profit up by 32.8% to HK\$206,017,000.

The Board declared a final dividend of HK1.76 cents per ordinary share, together with the interim dividends totaling HK\$61,315,000, for the year ended 31 December 2022.

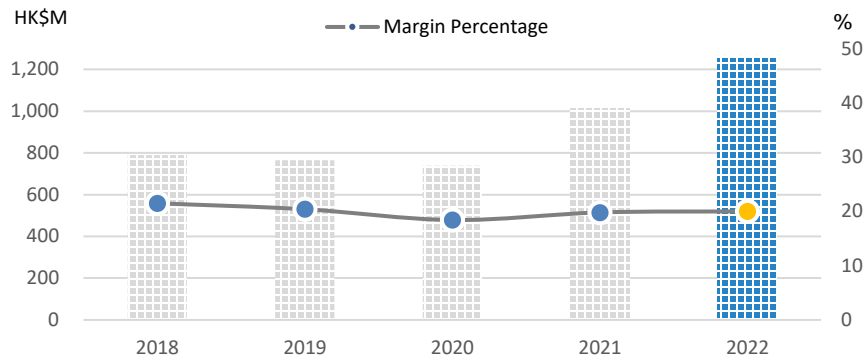
# FINANCIAL SUMMARY



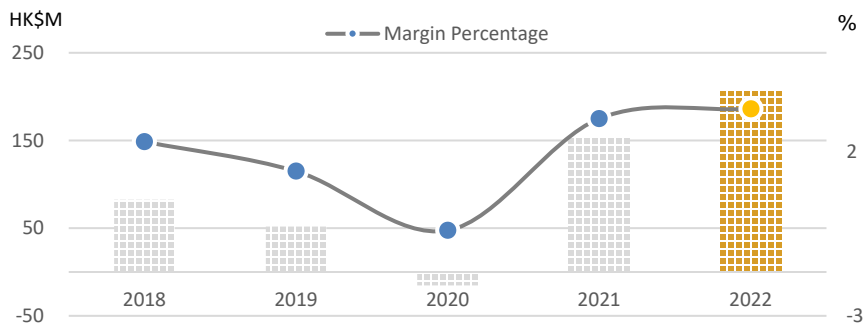
## Revenue



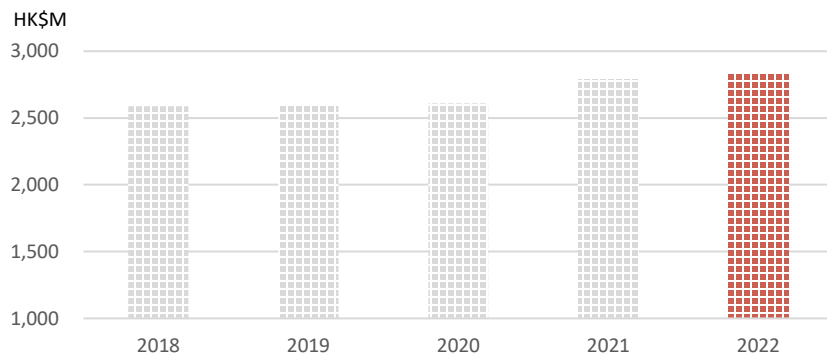
## Gross Profit and Margin



## Net Profit and Margin



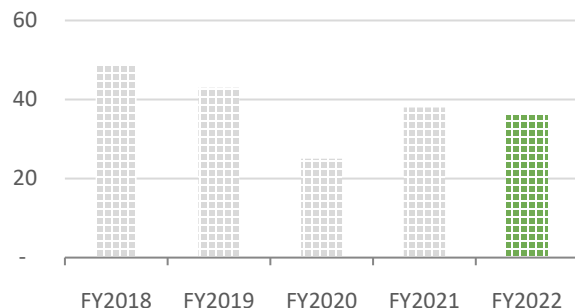
## Net Assets



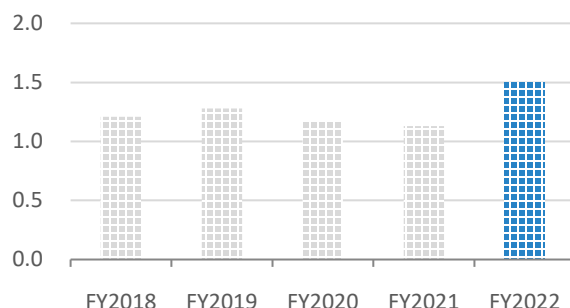
# OTHER KEY FINANCIAL RATIOS



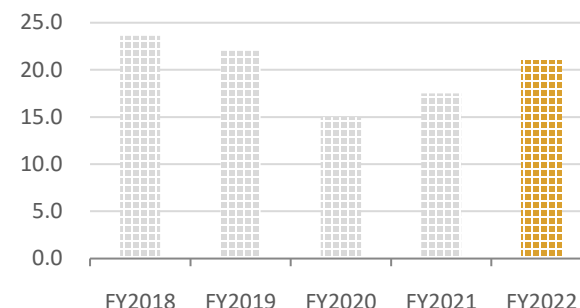
## Cash Conversion Cycle<sup>1</sup>



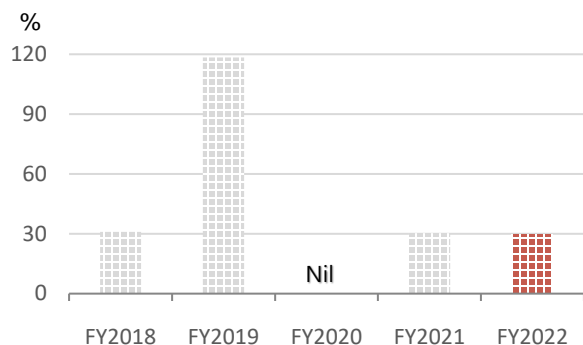
## Current Ratio



## Net Debt-to-Equity Ratio<sup>2</sup>



## Dividend Payout Ratio



- Cash conversion cycle at 36 days.
- Net debt-to-equity was at 21.0% as at 31 December 2022.
- Normal dividend payout ratio at roughly 30% of net profit over the years except for 2020 due to net loss incurred.

*Note 1: Cash conversion cycle is defined as the total sum of inventory and debtors' turnover days less creditors' turnover days.*

*Note 2: Net debt-to-equity ratio is calculated based on the total balance of bank borrowings and lease liabilities less cash and bank balances divided by shareholders' equity. Lease liabilities exclude the rentals for factory and office premises in future periods which have not yet been incurred but are deemed as lease liabilities under the newly adopted Hong Kong Financial Reporting Standard 16 "Leases".*

# THE END



# DISCLAIMER



Whilst all the projections and estimates given in this presentation have been made with assumptions considered by the Group's management to be most realistic at the relevant time, neither the Group nor its management can guarantee their accuracies or completeness. This presentation is not an investment advice, nor an offer or solicitation for the purchase or sale of any financial instrument. Past performance is not indicative of future results. Investors should make their own investment decisions without totally relying on the information contained herein. Only investors with sufficient knowledge and experience in financial matters to evaluate merits and risks should consider an investment in the Group. Other persons should not take any action on the basis of this presentation.

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