



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 2024



# 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 (“D-EMS”)** 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)**.
- ⚙️ In 2022, 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. In **2023**, the integration has a **full-blown impact** on the gross profit margin and profit margin for the Group.

## BUSINESS HIGHLIGHTS (CONT'D)

- As a result of unfavourable external market conditions causing a decline in client production intensions, the Group's **turnover decreased by 1.4%** year-on-year to **HK\$6,182,658,000** (2022: HK\$6,268,065,000) for the year ended 31 December 2023. Gross profit margin **increased by 0.9 percentage points to 20.9%** (2022: 20.0%) and profit attributable to equity holders **increased by 15.1%** year-on-year to **HK\$237,095,000** (2022: HK\$206,017,000), mainly attributable to the Group's **lean production policy** which led to effective cost control, synergies brought by integrating the production capacity of EVA Intelligent Manufacturing acquired in 2021 hence **lowering operating costs**, such as wages, rental and administrative expenses, recognition of a one-off gain from the write-back of provisions related to compensations for EVA Intelligent Manufacturing staff and the gain recognised on termination of its factory lease, plus exchange gain from appreciation of the Mexican peso.
- During the year, turnover of the **OA equipment business** dropped 4.6% to **HK\$4,295,475,000** (2022: HK\$4,502,285,000), affected mainly by the overall sluggish market. However, due to above-mentioned contributions, the **OA equipment business segment recorded profit of HK\$337,365,000** (2022: HK\$253,507,000) and the segmental profit margin was **7.9%** (2022: 5.6%).
- Nevertheless, **Weihai's OA equipment business** performed outstandingly, with turnover **surged markedly by 89.9%** year-on-year, and its annual sales are expected to cross the HK\$1 billion mark in the next few years. The good performance was owed mainly to the Group deepening strategic cooperation with its long-term customer **Fujifilm**, which helped fuel orders and in turn the increase in turnover.



## BUSINESS HIGHLIGHTS (CONT'D)

- ⚙️ For the year ended 31 December 2023, the Group's **automotive components segment** recorded growth, with **turnover up 6.9%** year-on-year to **HK\$1,887,183,000** (2022: HK\$1,765,780,000). In 2023, the segment gradually started production to meet the new orders landed, releasing progressively the production capacities of the industrial parks in **Zhongshan**, **Wuhan** and **Mexico**, thus helped push up segmental turnover steadily.
- ⚙️ In 2023, with production gradually commencing for new project orders, **turnover** of the **Mexican industrial park increased** by **23.8%**, which was the best performing region for automotive component business. The main customers of the industrial park, such as **Tesla** and **Faurecia**, continued to maintain strong growth momentum. While carrying out internal reforms, the Group also deepened its strategic partnership with customers such as Tesla, Faurecia, Brose, Adient and Yanfeng. The **1250T** and **2500T presses**, in which the Group invested during the year, are expected to **start operation in 2024** to meet increasing orders from customers.
- ⚙️ Overall, in 2023, the **automotive component segment** made profit of **HK\$108,727,000** (2022: HK\$101,824,000). Apart from the impact of unfavorable factors in the macro environment, the Group also increased investment in R&D in the NEV realm and conducted trials and adjustments to prepare for mass production, hence the profit margin of the automotive component segment **remained at 5.8%** (2022: 5.8%).

# 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

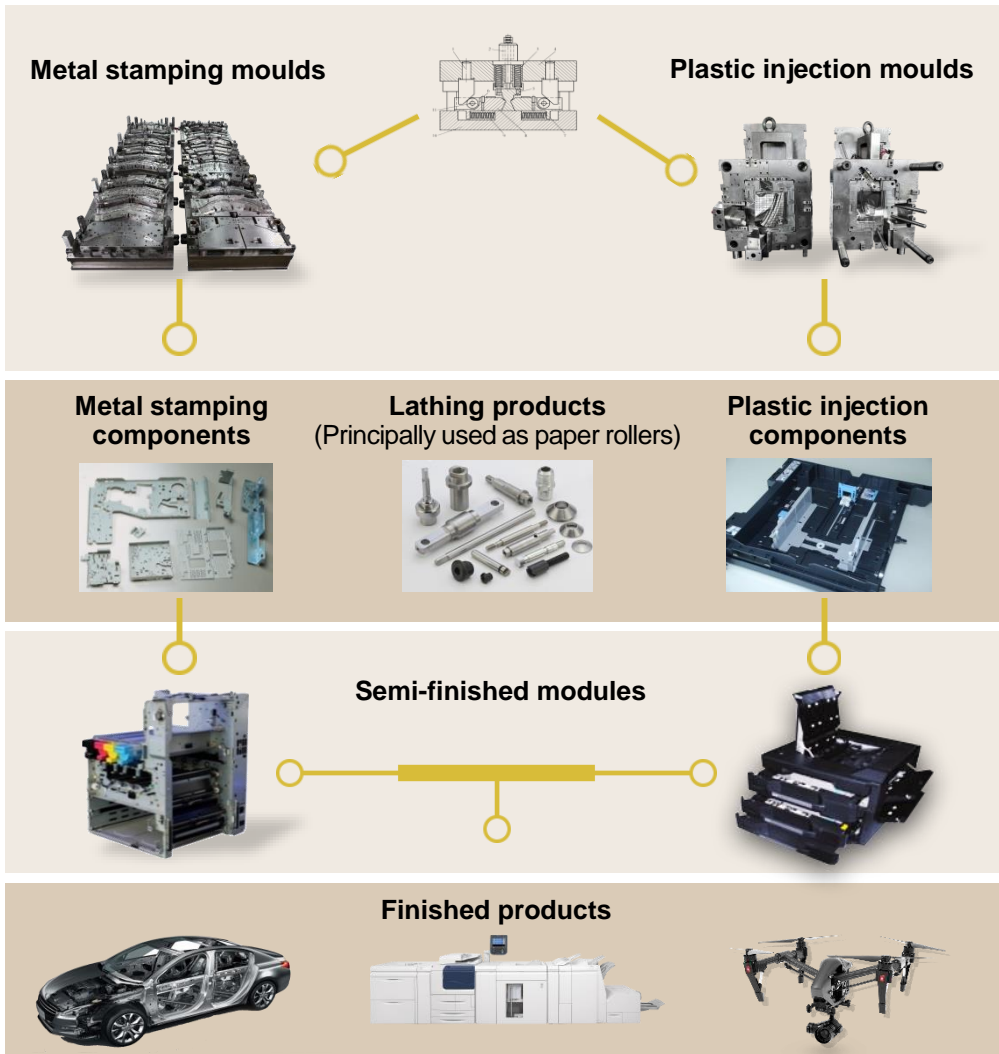
- ⚙️ Our **ability to design and develop, precision engineering expertise and laser welding technology** distinguish ourselves from other low end manufacturers.
- ⚙️ Well recognised by renowned Japanese brand owners, including **Canon, Ricoh, Fujifilm, Kyocera and Konica Minolta** etc, which are well 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 , 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

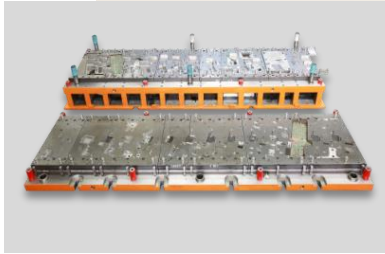
- ⚙️ Assembly of various components into semi-finished modules through high precision laser welding and other assembly processes.

## 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

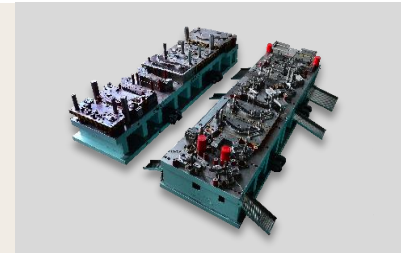


## Mould is the “Mother Tool” of manufacturing

- ⚙️ 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.

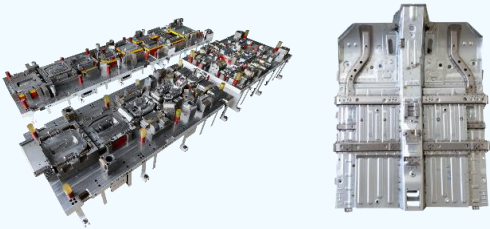
## Production automation to improve efficiency

- ⚙️ 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.

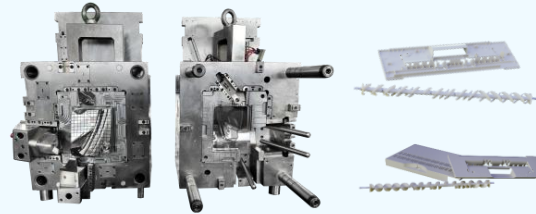


# INDUSTRY LEADING TECHNOLOGIES (CONT'D)

## 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).

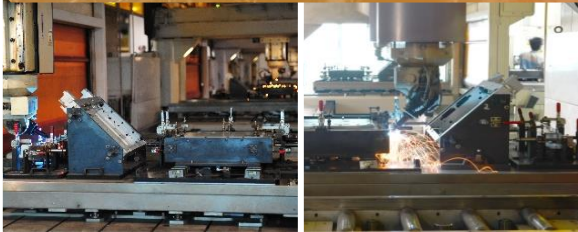
- ⚙️ Moulds for thin-walled plastic products with thickness of only 0.2mm.
- ⚙️ Moulds for high-precision plastic gears.
- ⚙️ Light-weight and high-precision plastic rollers for paper pickup and image forming.
- ⚙️ In-mould decoration (IMD) and environmental friendly hot runner technologies.

- ⚙️ 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.

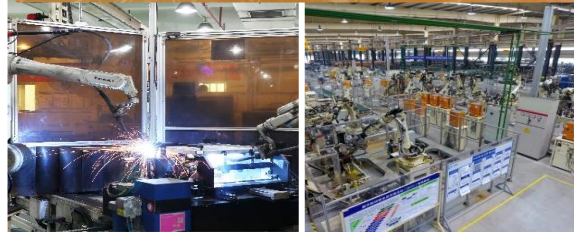
# INDUSTRY LEADING TECHNOLOGIES (CONT'D)

## 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 **RMB1.56 trillion** by **2027**.

**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 2023, we have purchased a leasehold land in Quang Ninh Province in Vietnam. Construction is expected to begin in 2024.
- ✿ In 2017, the Group was invited by HP to establish a new industrial park in Weihai, Shandong Province, China. The phase one industrial park in Weihai had already commenced full operation in 2021. Construction of phase two of the Weihai industrial park had commenced at the end of 2022 and is expected to be completed and start production in the first half of 2024.

## 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, The ITAI industry market will grow to around RMB1.56 trillion by 2027, with total penetration rate expected to reach 80.97%. 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.



EVA Weihai (Double Islands Bay)  
Electronic Industrial Park



EVA Vietnam (Haiphong)  
Electronic Industrial Park



# 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 phase two of the Mexico industrial park was completed in 2022. The 1250T and 2500T presses, in which the Group invested during 2023, are expected to start operation in 2024 to meet increasing orders from customers.

## Market overview

With the NEV market growing rapidly, seeing continuously increasing demand, the Group's automotive component business, which boasts a strong strategic layout and relentless effort to innovate, has been growing steadily. According to China Association of Automobile Manufacturers ("CAAM") data, a total of 30.09 million cars were sold in China in 2023, 12% more year-on-year, of which 9.495 million were NEVs, up by 37.9% year-on-year, with market share swelling to 31.6%. Looking ahead at 2024, CAAM is of the view that China's automotive market will maintain a steady and positive growth momentum, with automobile sales volume expected to exceed 31 million, a 3% increase year-on-year, 26.8 million of which will be passenger vehicles, 3% more year-on-year, and 4.2 million will be commercial vehicles, 4% more year-on-year. Sales volume of NEVs is expected to reach 11.5 million, and their penetration rate as well as their market are also expected to continue to grow. That plus the consistently high overseas demand for China-made NEVs are conducive to growth of the Group's automotive components business. The management has strong confidence in the prospects of the business.



Digit Mexico (SLP) Automobile Industrial Park



Digit Zhongshan Automobile Industrial Park



Digit Wuhan Automobile Industrial Park



# AUTOMOTIVE COMPONENTS (CONT'D)



Factory Building



Automated Robotic Welding



2,000T Servo Line

## 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



# AUTOMOTIVE COMPONENTS (CONT'D)

## Digit Wuhan Automobile Industrial Park

**Webasto**  
Feel the Drive

**CITROËN**  
东风雪铁龙

**HONDA**  
The Power of Dreams

**faurecia**

**Topre**



**PEUGEOT**  
东风标致

**APAC**



**Gestamp**

**长城汽车**  
Great Wall

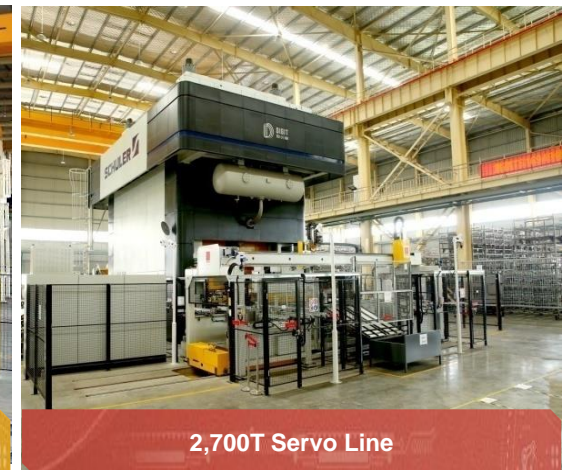
- ⚙️ Commenced commercial production in early 2014.
- ⚙️ Currently produces moulds and components and provides automated welding for high tensile parts primarily used for passenger cars such as the Dongfeng Citroen and Peugeot series.
- ⚙️ Other existing and targeted customers include the automakers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



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.

faurecia

brose  
Excellence in Mechatronics

AINISIN

YACHIYO

Gestamp

ADIENT





# AUTOMOTIVE COMPONENTS (CONT'D)

## Digit Mexico (SLP) Automobile Industrial Park



Volkswagen



FIAT CHRYSLER AUTOMOBILES



faurecia

brose  
Excellence in Mechatronics

- ⚙️ 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 had completed the construction of the second phase of the industrial park in 2022 in order to cater to the high demand and low supply in Mexico. The new second phase of the industrial park has a land area of approximately 34,000 square metres, which is significantly larger than the first phase industrial park of approximately 16,000 square metres in its floor plan.



Stamping Production Line



Digit Mexico (SLP) Automobile Industrial Park

# AUTOMOTIVE COMPONENTS (CONT'D)

## Product Overview

### Body structures



### Chassis



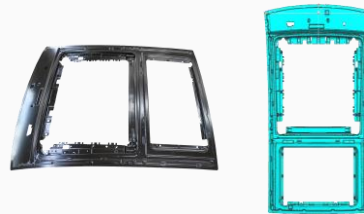
### Battery covers



### Automobile seat frames



### Sunroof frames



### Onboard storage battery systems



### Photovoltaic inverter parts



### Electronic control and engine parts





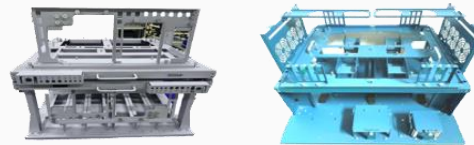
# INTERNET SERVER BUSINESS

## Products Overview

Server chassis



Test server frames



Pull handles and other components



## Manufacturing Advantages



Bending machine



Full equipment assembly line



TruPunch punching machine



Stamping production line

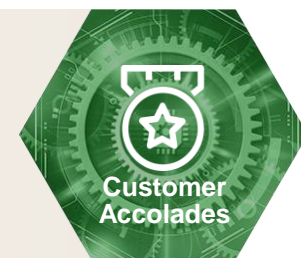
- ⚙️ High degree of production automation and stable quality
  - ⚙️ Stamping (continuous mould and progressive mould) automation
  - ⚙️ Secondary processing automation
- ⚙️ Laser welding instead of traditional process
  - ⚙️ No riveting
  - ⚙️ No pop-rivet
  - ⚙️ Simplified structure and mould
- ⚙️ Full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

# OUR COMPETITIVE STRENGTH



- ⚙️ 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

- ⚙️ Solid track record in serving **world-class customers** such as **Canon, Fujifilm, Konica Minolta, Ricoh, HP, Dongfeng, Great Wall Motors, 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**



- ⚙️ **Strong management and engineering team** with more than 30 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

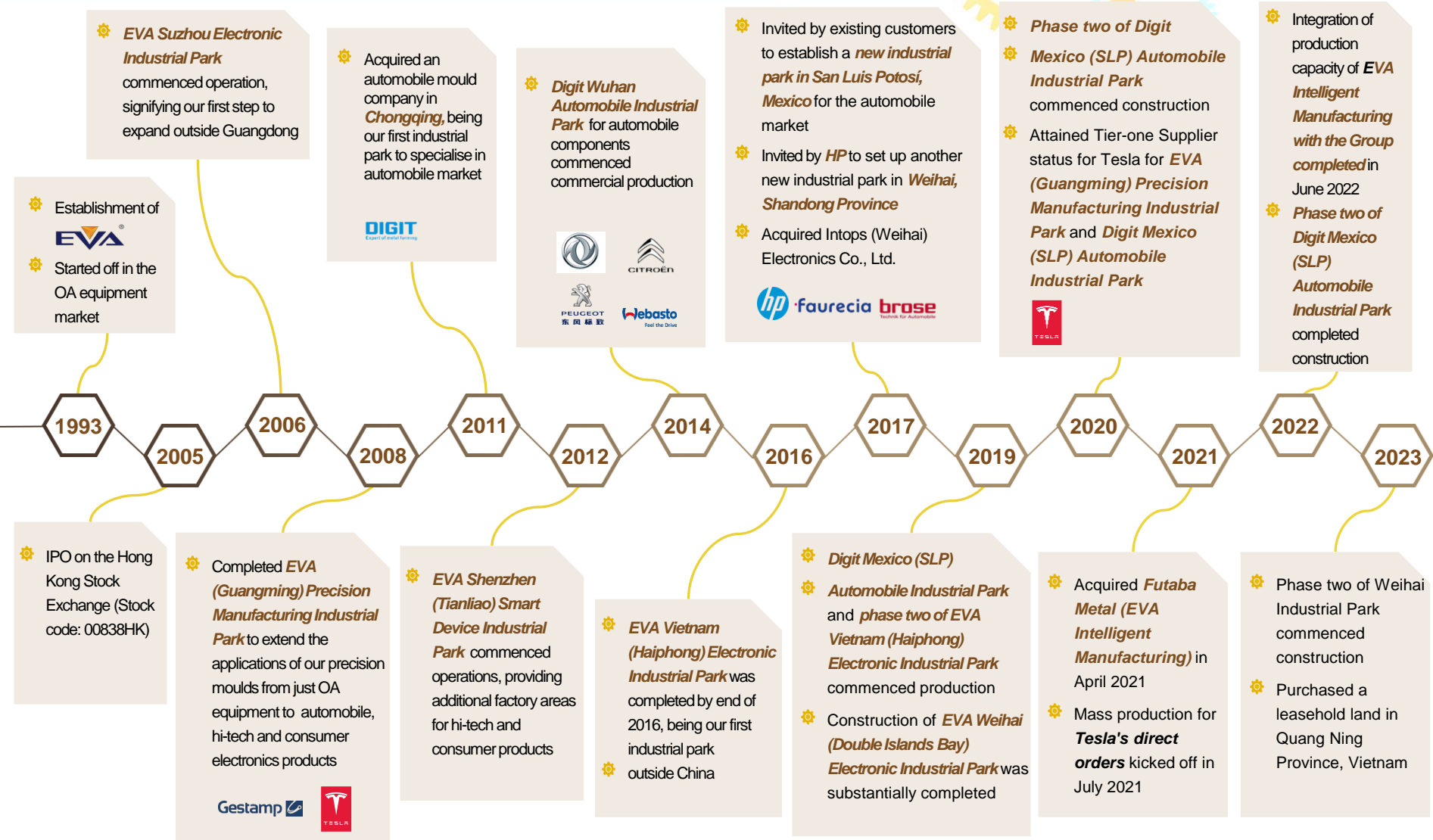
- ⚙️ **Constant dividend payouts** of roughly 30% of net profits since IPO
- ⚙️ Repurchased 12.5 million shares from the market in 2019 and January 2020 as well as 8.5 million shares in 2022 to **enhance earnings and net asset value per share** for all existing shareholders
- ⚙️ Received numerous accolades 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:  
116,000 sq.m.  
Land area:  
43,000 sq.m.



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

## EVA Shenzhen (Tianliao) Smart Device Industrial Park

GFA:  
48,000 sq.m.  
Land area:  
28,000 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 (Guangming) Precision Manufacturing Industrial Park

GFA:  
64,000 sq.m.  
Land area:  
42,000 sq.m.



## Digit Zhongshan Automobile Industrial Park

GFA:  
44,000 sq.m.  
Land area:  
34,000 sq.m.



## Digit Wuhan Automobile Industrial Park

GFA:  
104,000 sq.m.  
Land area:  
343,000 sq.m.



## EVA Vietnam (Haiphong) Electronic Industrial Park

GFA:  
58,000 sq.m.  
Land area:  
37,000 sq.m.



## EVA Weihai (Intops) Electronic Industrial Park

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



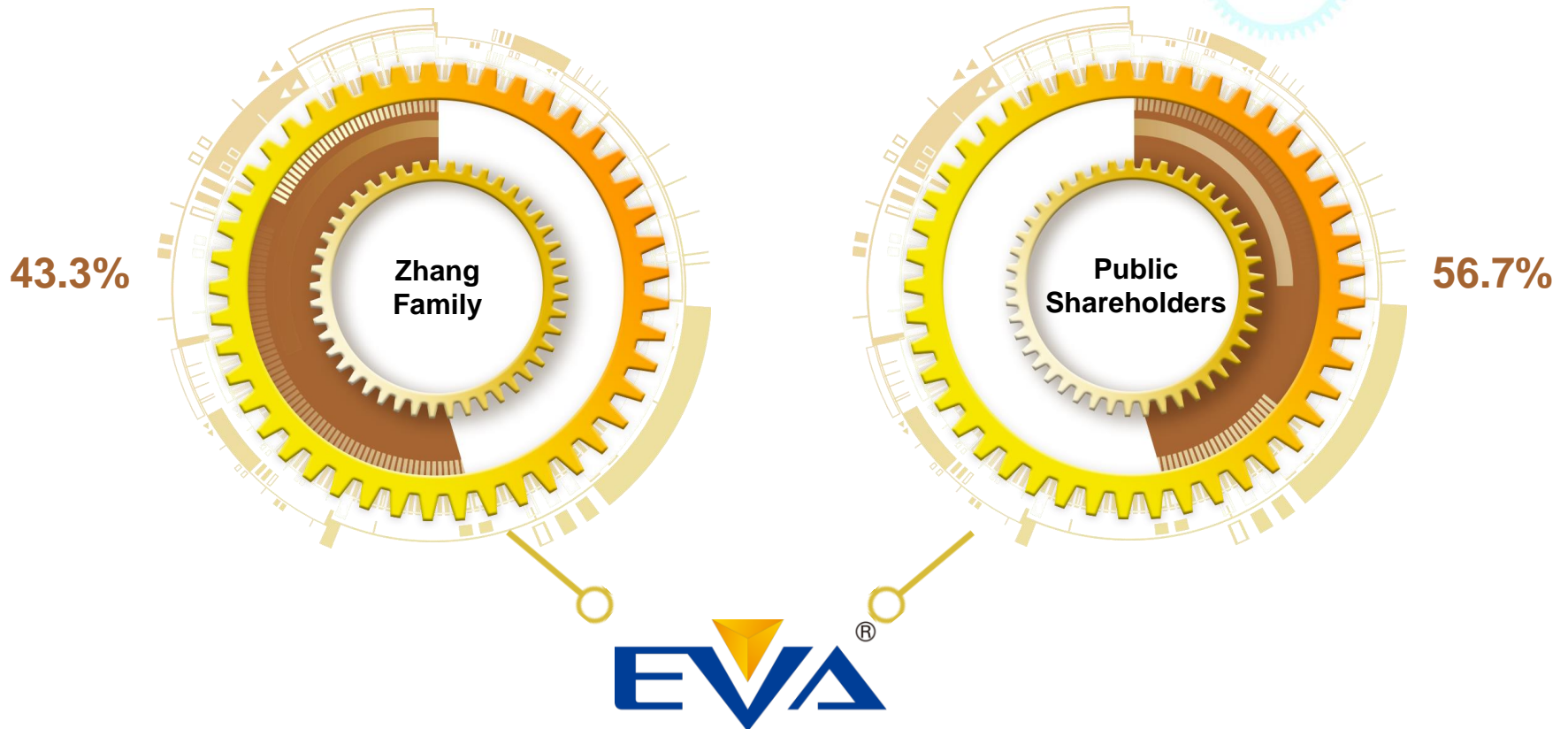
## Digit (Chengyu) Automotive Industrial Park

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





# SHAREHOLDING STRUCTURE



- ⚙ Total number of shares in issue as at 28 March 2024 = 1,740,919,800 shares
- ⚙ Outstanding share options of 119,200,000 options as at 28 March 2024

# MAJOR AWARDS AND ACCOLADES

Year	Honors	Company/Organisation
2000-2023	ISO9001 Certification	BSI Group
2003-2023	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
2011-2023	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
2020-2023	ISO45001 Certification	BSI Group





# MAJOR AWARDS AND ACCOLADES (CONT'D)

Year	Honors	Company/Organisation
2017-2023	Guangdong Top 500 Manufacturing Enterprise	Guangdong Manufacturers Association
2021-2023	Guangdong Top 500 Enterprise	Guangdong Provincial Enterprises Confederation & Guangdong Provincial Association of Entrepreneurs
2019-2023	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
2023	Best Employer Nomination Award	Shenzhen Human Resources and Social Security Bureau, Shenzhen General Chamber of Commerce & Shenzhen Small and Medium Sized Enterprises Service Bureau
2023	Hong Kong-Guangdong Cleaner Production Partner (Manufacturing)	Environment and Ecology Bureau of the Government of the HKSAR & Department of Industry and Information Technology of Guangdong Province
2023	Special Cooperation Award	Yachiyo
2023	2022 Quality Improvement Award	Topre
2023	Excellent Supplier Partner Award	Great Wall Motors

# 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 30 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> </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 30 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, first chairman of Shenzhen Advanced Manufacturing Technology Association, 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 and deputy head of Working Committee of Operation and Management of China Die &amp; Mould Industry Association</li> <li>A member of the Hong Kong and Macau Committee of the 7th Shenzhen Committee of the Chinese People's Political Consultative Conference</li> </ul>



# OUTLOOK



- ⚙️ On the foundation of its core stamping and automated processing technologies, together with its laser welding techniques, the Group has been able to develop services for new customers in the Internet and information industries. It has offered renowned Internet customers services including development, production and assembly of moulds for server control box and server case components, setting the stage for further diversification and injecting new impetus into the Group for more sustainable development. Currently, the Group's server moulds development and production base is in Shenzhen.
- ⚙️ The Group has sufficient resources and production capacity at its Shenzhen Industrial Park for the new business, which is also a critical step for coping with the OA equipment business shifting to Southeast Asia. In 2023, it has developed seven server-related projects, and five are already in production.
- ⚙️ Looking into 2024, the high interest rate environment is expected to ease and that will help drive economic growth. The Group will strive to enhance its competitive edges and, with optimism and prudence, look for opportunities to expand capacity and its businesses, seize opportunities in the recovering market to expand market share and promote long-term business growth.

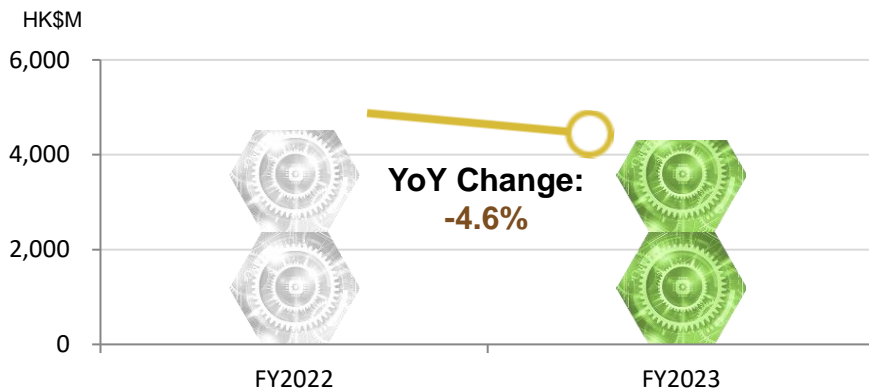
# FINANCIAL INFORMATION



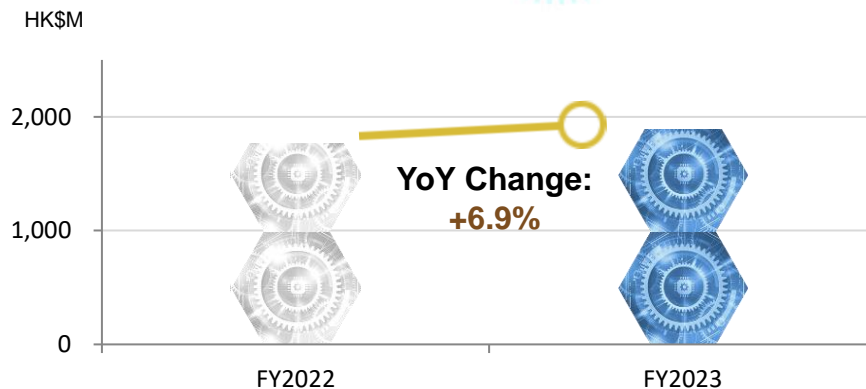


# 2023 BUSINESS RESULTS

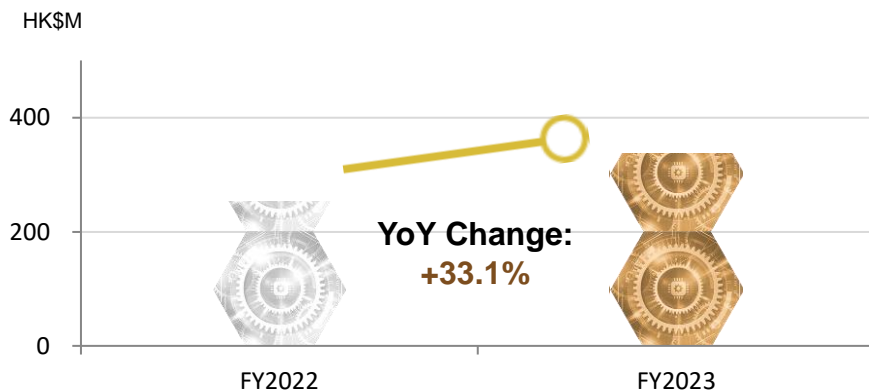
## Segment Turnover - Office Automation Equipment



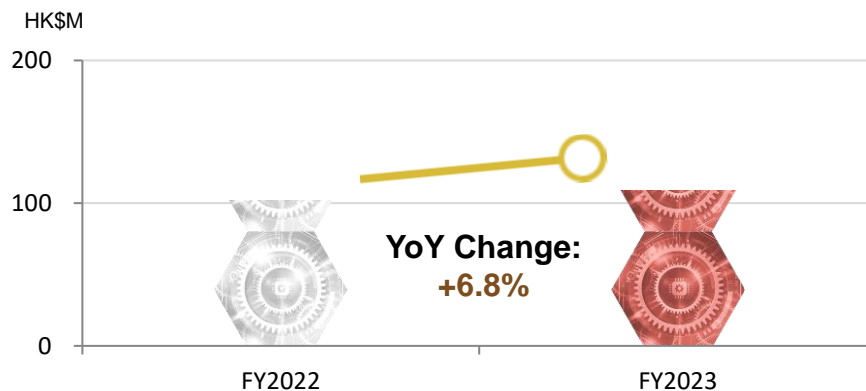
## Segment Turnover - Automotive Component



## Segment Profit - Office Automation Equipment



## Segment Profit - Automotive Component



# FINANCIAL PERFORMANCE

## Consolidated Income Statement

Expressed in HK\$'000	2023	2022	YoY Chg
<b>Revenue</b>	<b>6,182,658</b>	<b>6,268,065</b>	<b>-1%</b>
Cost of sales	(4,891,094)	(5,016,754)	<b>-3%</b>
<b>Gross profit</b>	<b>1,291,564</b>	<b>1,251,311</b>	<b>3%</b>
Other income	49,187	22,430	<b>119%</b>
Other gains/(losses) - net	37,067	(8,335)	<b>-545%</b>
Selling and marketing costs	(326,357)	(369,162)	<b>-12%</b>
General and administrative expenses	(660,670)	(615,446)	<b>7%</b>
Net impairment losses on financial assets	0	(7,622)	<b>N/A</b>
<b>Operating profit</b>	<b>390,791</b>	<b>273,176</b>	<b>43%</b>
Finance income	42,403	10,462	<b>305%</b>
Finance costs	(128,905)	(53,837)	<b>139%</b>
Share of losses of associates	(499)	(210)	<b>138%</b>
<b>Profit before income tax</b>	<b>303,790</b>	<b>230,591</b>	<b>32%</b>
Income tax expense	(66,695)	(24,574)	<b>171%</b>
<b>Profit attributable to equity holders of the Company</b>	<b>237,095</b>	<b>206,017</b>	<b>15%</b>
<b>Dividend</b>	<b>71,203</b>	<b>61,315</b>	
<b>Operating net cash flows</b>	<b>375,151</b>	<b>372,353</b>	
<b>Gross Margin</b>	<b>20.9%</b>	<b>20.0%</b>	
<b>Operating Margin</b>	<b>6.3%</b>	<b>4.4%</b>	
<b>Net Margin</b>	<b>3.8%</b>	<b>3.3%</b>	
<b>Dividend Payout Ratio</b>	<b>30.0%</b>	<b>29.8%</b>	

During the year, the Group's turnover decreased slightly by 1.4% to HK\$6,182,658,000, which was primarily due to unfavourable external market conditions causing a decline in client production intensions in both office automation equipment and automotive component businesses.

During the year, gross profit margin slightly increased to 20.9% (2022: 20.0%), which was mainly driven by enhanced operational efficiency, higher utilisation in our Weihai facilities, as well as the synergies reaped by the Group following the complete consolidation of production capacity after the Group acquired EVA Intelligent Manufacturing in 2021, including the reduction of operating costs such as wages and other factory expenses.

During the year, as a result of improved gross profit margin as mentioned above and also one-off gains recognised from integration of EVA Intelligent Manufacturing and appreciation of Mexican peso, the Group recorded operating profit of HK\$390,791,000 (2022: HK\$ 273,176,000).

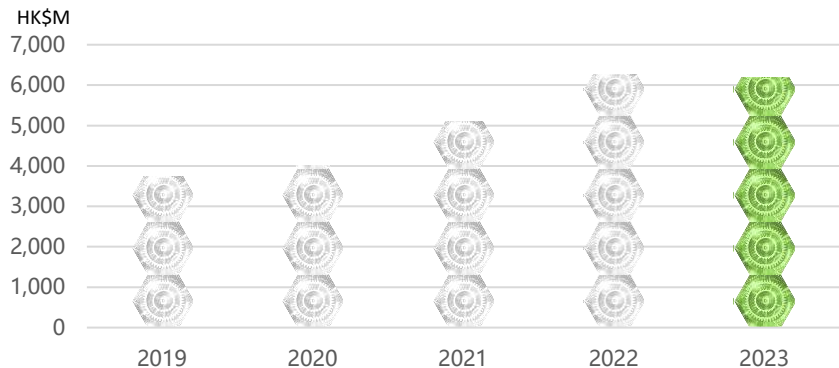
As a result, the Group recorded a net profit up by 15.1% to HK\$237,095,000.

The Board declared a final dividend of HK1.99 cents per ordinary share, together with the interim dividends totaling HK\$71,203,000, for the year ended 31 December 2023.

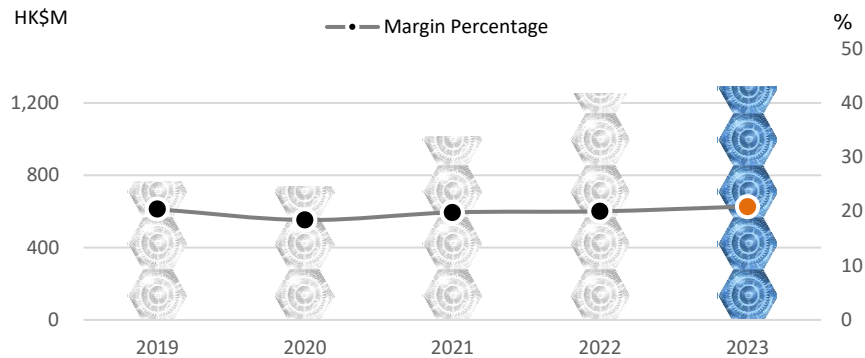


# FINANCIAL SUMMARY

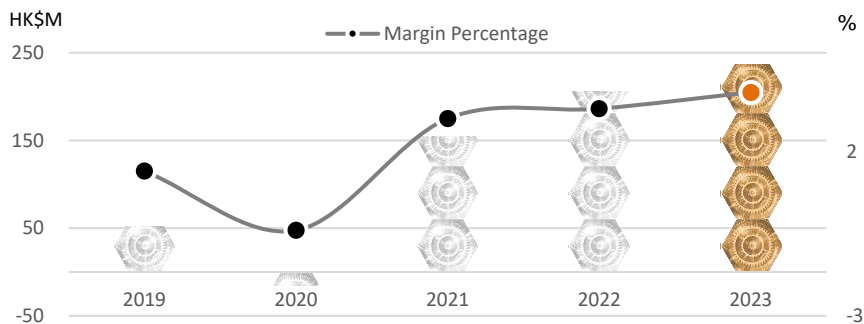
## Revenue



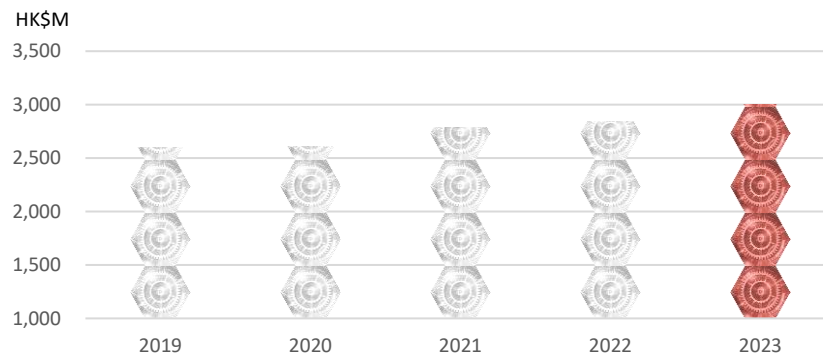
## Gross Profit and Margin



## Net Profit and Margin

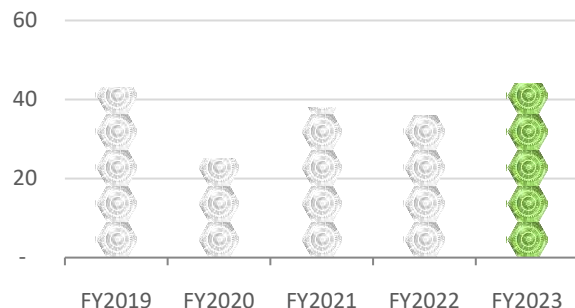


## Net Assets

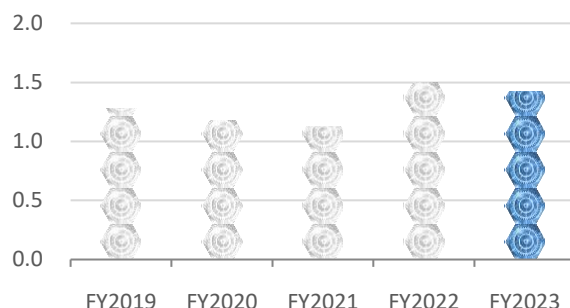


# OTHER KEY FINANCIAL RATIOS

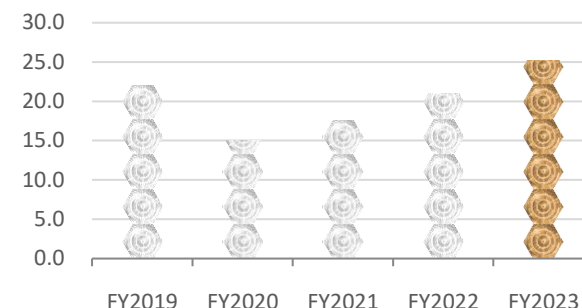
## Cash Conversion Cycle<sup>1</sup>



## Current Ratio



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

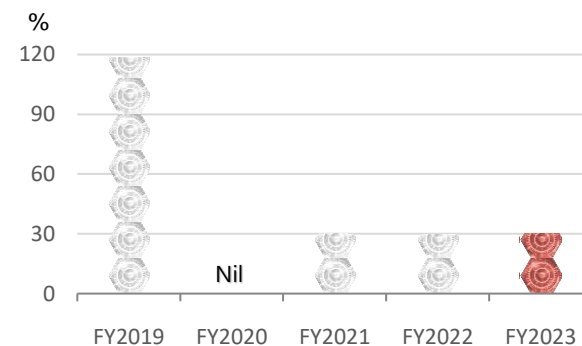


- ⚙️ Cash conversion cycle at 44 days.
- ⚙️ Net debt-to-equity was at 25.2% as at 31 December 2023.
- ⚙️ Normal dividend payout ratio at roughly 30% of net profit over the years except for 2020 due to net loss incurred. Dividend payout ratio was 118.5% in 2019 due to special dividend declared to celebrate the 15th anniversary of the Group's IPO.

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 expensed but are deemed as lease liabilities under the Hong Kong Financial Reporting Standard 16 "Leases".

## Dividend Payout Ratio





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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