



EVA Precision Industrial Holdings Limited

億和精密工業控股有限公司

Stock code: 838 HK

A large, abstract graphic on the left side of the slide. It consists of several interlocking gears of different sizes and colors (yellow, blue, and green). The gears are surrounded by numerous concentric, wavy lines that create a sense of motion and depth. The background is a dark blue gradient.

ANNUAL RESULTS PRESENTATION
MARCH 2022

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)**.
- In April 2021, we acquired the entire equity interests in Futaba Metal Products (Shenzhen) Co., Ltd., which was then renamed **Shenzhen EVA Technology Intelligent Manufacturing Co., Ltd.** (“EVA Intelligent Manufacturing”). EVA Intelligent Manufacturing is principally engaged in the manufacturing and sale of OA equipment.
- During the year, the Group began to gradually integrate EVA Intelligent Manufacturing’s businesses, with the objective of **integrating the resources of EVA Intelligent Manufacturing** and merging its production capacity with that of the Group’s existing production facilities in 2022. This will help improve the Group’s overall operational efficiency and better realise the synergies generated from the acquisition.

BUSINESS HIGHLIGHTS (CONT'D)

- During the year, revenue from the OA equipment business **increased significantly**, while that of the automotive components business also **recorded impressive growth**, boosting the Group's **overall turnover** by **27.4%** to **HK\$5,108,777,000** (2020: HK\$4,008,459,000).
- With the pandemic brought under control, the utilisation rates of the Group's domestic and overseas production facilities increased, in turn contributing to an **improved gross profit margin, up 1.4 percentage points** year-on-year to **19.8%**.
- Driven by the above-mentioned factors, the Group's business turned around in 2021, with **profit attributable to shareholders amounting to HK\$155,190,000** (2020: loss attributable to shareholders of HK\$15,371,000) and **basic earnings per share of HK\$9.0 cents**.
- A **final dividend of HK1.5 cent** per ordinary share, was declared by the Directors of the Company for the year ended 31 December 2021.

BUSINESS HIGHLIGHTS (CONT'D)

- During the year, the Group dedicated additional efforts in the development of its **OA equipment business**, and has been focusing on the expansion of the DEMS operation to enhance business diversification. The **segment's turnover increased by 21% year-on-year to HK\$3,743,273,000** (2020: HK\$3,094,123,000).
- During the year, the **turnover** of the Group's business in **Weihai increased significantly by** approximately **63%**. With the impressive growth achieved by Weihai plant's quality **DEMS products**, the Group is committed to expanding also the domestic market and developing the **information technology application innovation ("ITAI") industry** on top of existing markets, customers including **Great Wall Electronics** and **Lenovo**.
- The Group's **Vietnam industrial park** commenced operation in 2017. As the team has been very dedicated in business development over the years, Vietnam industrial park managed to deliver a **robust turnover growth of around 46%** in 2021, mainly attributable to the significant increase in orders from two key customers, **Fujifilm** and **Kyocera**.
- The **OA equipment segment** reported **profit** amounting to **HK\$138,926,000** (2020: HK\$89,370,000) for the year. The growth was primarily attributable to a surge in segment turnover following economic recovery and the Group's strong business momentum mentioned above. In addition, the utilization rates of the Group's production facilities returning to normal also drove the segment's **profit margin** to approximately **3.7%** (2020: 2.9%).

BUSINESS HIGHLIGHTS (CONT'D)

- During the year, driven by the strong business momentum in the **North American market** since the beginning of 2021 and the robust consumption sentiment in China, the Group's **automotive components segment turnover increased by 49%** year-on-year to **HK\$1,365,504,000** (2020: HK\$914,336,000).
- The Group considers its production base in **Mexico** an **important bridge to customers in the US and European markets**. With its strategic layout and competitive advantages, the Group continued to win the trust of its customers and was able to strengthen its strategic partnerships in Mexico. Among the automobile supplier customers, the sales of Faurecia and Adient increased by more than two to three folds year-on-year, leading to an **increase in turnover** of approximately **250%** in Mexico.
- The Group continued to strengthen its relationships with various automakers such as **Great Wall Motors**. The Group has also achieved breakthroughs in market expansion during the year and its **Wuhan operation** has received a huge number of orders, including new projects from certain **new energy vehicle (“NEV”) manufacturers** like **Lucid Motors**, an NEV manufacturer in the US. Some of the NEV related component orders, such as components for battery cover, **commenced delivery** at the end of 2021. Based on the forecasted life cycle of customer orders, the Group expects these orders to **turn into sales in five to seven years from 2022** and to bring significant contribution to the Group between 2022 and 2025.
- With the generally optimistic outlook for the automotive components industry and a slight easing of container supply issue in the second half of the year, coupled with a significant resumption of consumption activities in China, the Group's **automotive components segment** recorded **satisfactory profit** of approximately **HK\$126,844,000** during the year (2020: HK\$29,805,000).

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 customization products to our customers.**
- Started off in 1993 in OA equipment market, which is oligopolised by Japanese brand owners and requires very **high dimensional accuracy** standards to prevent paper jam and distorted images.
- Expansion into **automotive component** market a few years ago.

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

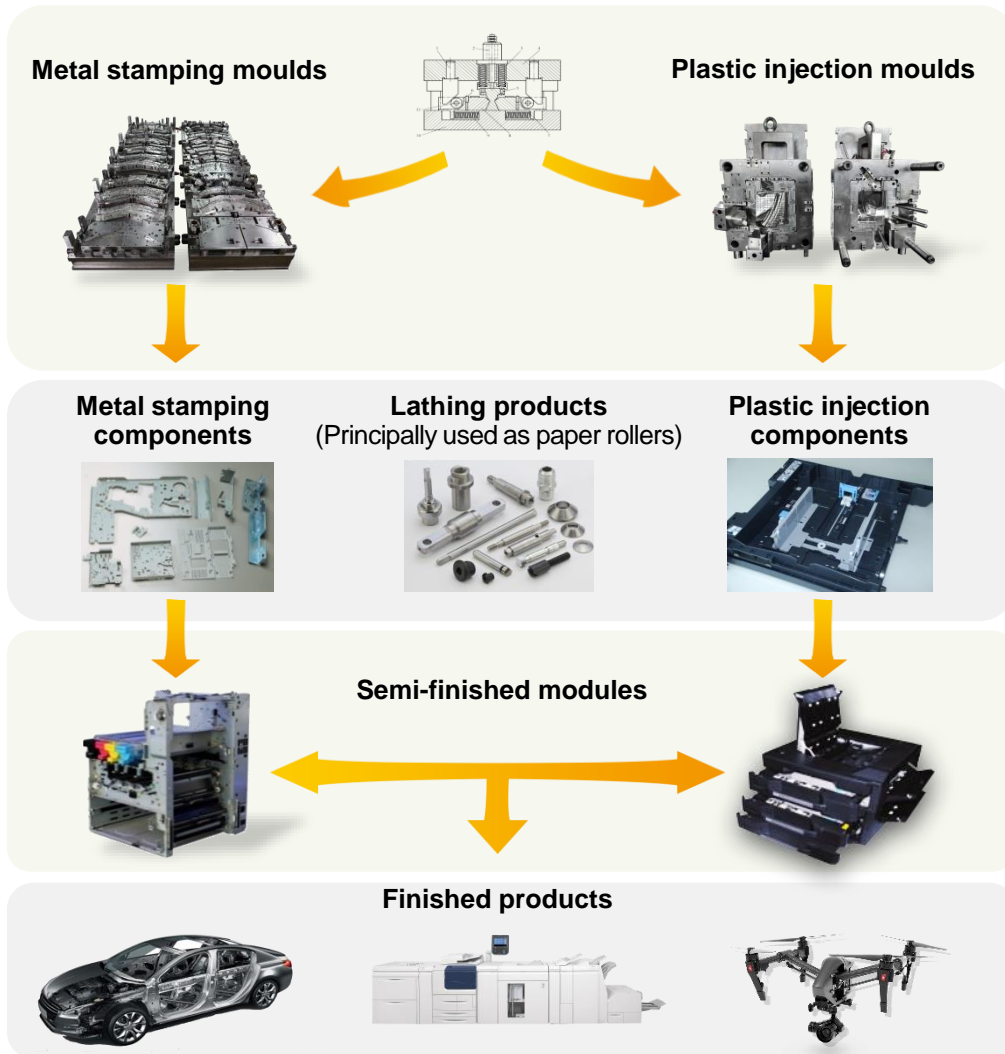
- Our **ability to design and develop, precision engineering expertise** and **laser welding technology** distinguish ourselves from other low end manufacturers.
- Well recognised by renowned Japanese brand owners, including **Canon, Ricoh, Fujifilm, Kyocera and Konica Minolta** etc, which are well known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

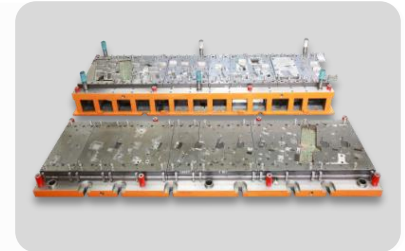
4. Semi-finished products finally assembled into finished products (Office automation equipment)

- 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.



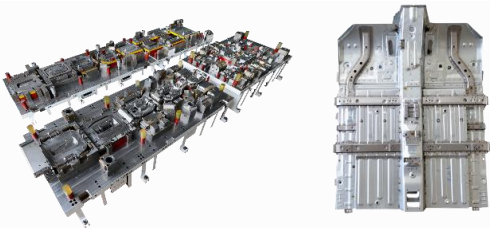
Production automation to improve efficiency

- 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.

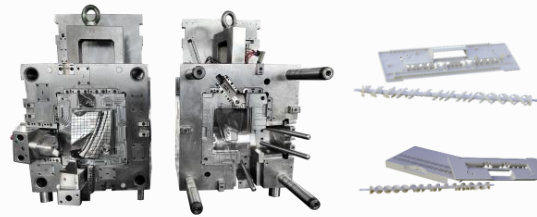
INDUSTRY LEADING TECHNOLOGIES (CONT'D)

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 temperature 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 0.01mm .
- Remarkably reduce product deficiency rate and eliminate manual inspection error.
- Accelerate product inspection time by 70% compared to manual inspection.

OFFICE AUTOMATION (OA) EQUIPMENT



EPSON
EXCEED YOUR VISION

RICOH
imagine. change.

Canon

brother
at your side

KYOCERA

TOSHIBA



FUJIFILM

KONICA MINOLTA

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.

OFFICE AUTOMATION (OA) EQUIPMENT (CONT'D)

Geographical coverage



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



**EVA Vietnam (Haiphong)
Electronic Industrial Park**

- 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.

Market overview

In the recent year, the Group is committed to developing domestic and ITAI market in the mainland China on top of existing markets, customers including Great Wall Electronics and Lenovo. The ITAI market in China is huge, with the Chinese government proposing in 2019 to speed up development of the ITAI industry, followed by a range of favourable policies, immense opportunities have been brought to market. Bloomberg also estimates the market size of the relevant industries to reach US\$125 billion by 2025. Being a market leader in providing fundamental hardware, plus the Group's top-notch technology and DEMS product advantage, we have already secured customers such as Great Wall Electronics to co-develop and introduce more relevant products to the market. It is believed that such development will help increase the Group's market share in the mainland China substantially.

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 commenced in late 2020.



Digit Mexico (SLP) Automobile Industrial Park



Digit Zhongshan Automobile Industrial Park



Digit Wuhan Automobile Industrial Park

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 2022 will climb by 5% to 27,500,000 units, while total new energy vehicle sales will rise by 47% to 5,000,000 units, presenting enormous room for growth for the industry.

The Group has achieved breakthroughs in market expansion during the year and its Wuhan operation has received a huge number of orders, including new projects from certain NEV manufacturers like Lucid Motors, an NEV manufacturer in the US. Some of the NEV related component orders, such as components for battery cover, commenced delivery at the end of 2021. Based on the forecasted life cycle of customer orders, the Group expects these orders to turn into sales in five to seven years from 2022 and to bring significant contribution to the Group between 2022 and 2025.

During the year, the strong business momentum in the North American market has driven the Group's turnover in automotive components to its record high. In Mexico, after obtaining Tier 1 supplier status from Tesla last year, the Group began to receive orders from Tesla directly since July 2021, and has thus started to record sales directly from Tesla during the year, on top of those through other Tier 1 suppliers.

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, SAIC-GM-Wuling, FAW-Volkswagen and Great Wall.
- 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

AUTOMOBILES 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, Dongfeng, Honda, Renault and General Motors.



Factory Building



Automated Stamping Production Line



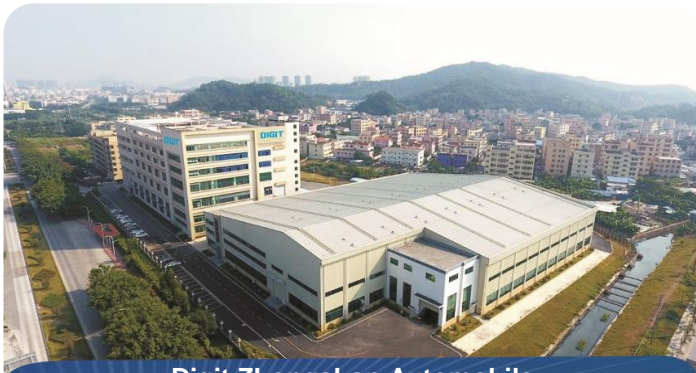
2,700T Servo Line

AUTOMOBILES 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.
- 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 Guangzhou Automobile Group, Audi, Faurecia and Brose are located.

AISIN

brose
Excellence in Mechatronics

ADIENT

faurecia

YACHIYO



Gestamp

CTS

AUTOMOBILES COMPONENTS (CONT'D)

Digit Mexico (SLP) Automobile Industrial Park



Volkswagen



FIAT CHRYSLER AUTOMOBILES



faurecia

brose
Excellence in Mechatronics

LUCID



- 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 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.



Stamping Production Line



Digit Mexico (SLP) Automobile Industrial Park

AUTOMOBILES COMPONENTS (CONT'D)

Product Overview

Body structures



Chassis



Automobile seat frames



Sunroof frames



Battery covers



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, 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 cycle¹ over the years
- Dedicated to streamlining costs and headcount through production automation and other cost control measures

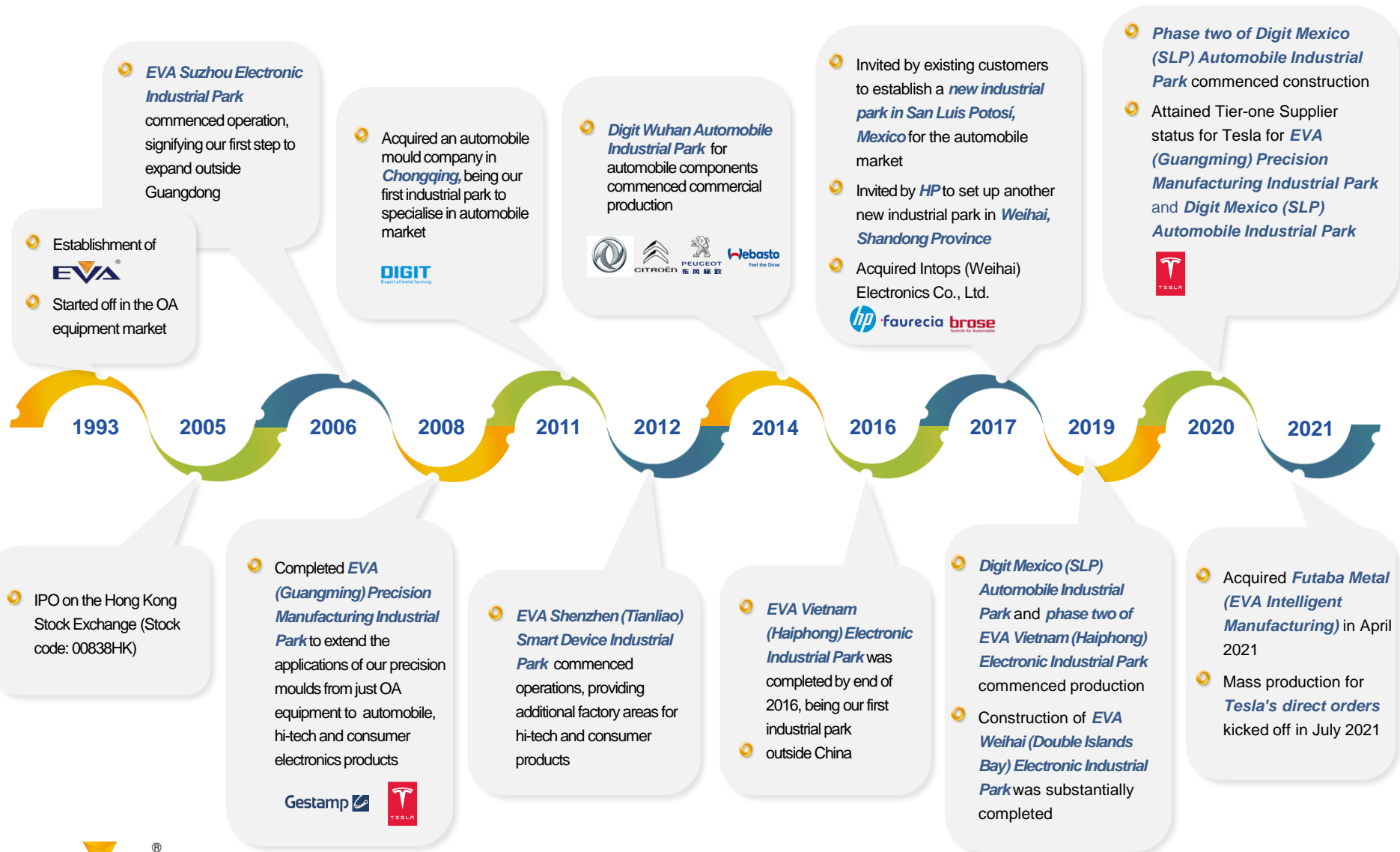


Corporate Governance

- Constant dividend payouts** of roughly 30% of net profits since IPO
- Repurchased 12.5 million shares from the market in 2019 and January 2020 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.



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



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 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.



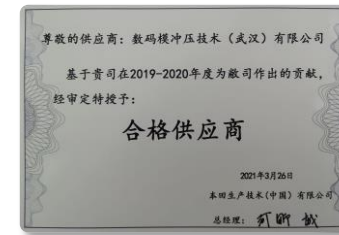
Digit (Chengyu) Automotive Industrial Park

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



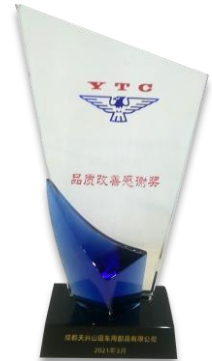
MAJOR AWARDS AND ACCOLADES

Year	Honors	Company/Organisation
2000-2021	ISO9001 Certification	BSI Group
2003-2021	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
2011-2021	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 Supplier Award	Segway-Ninebot
2020	Joint Innovation Award	Segway-Ninebot
2020	ISO45001 Certification	BSI Group

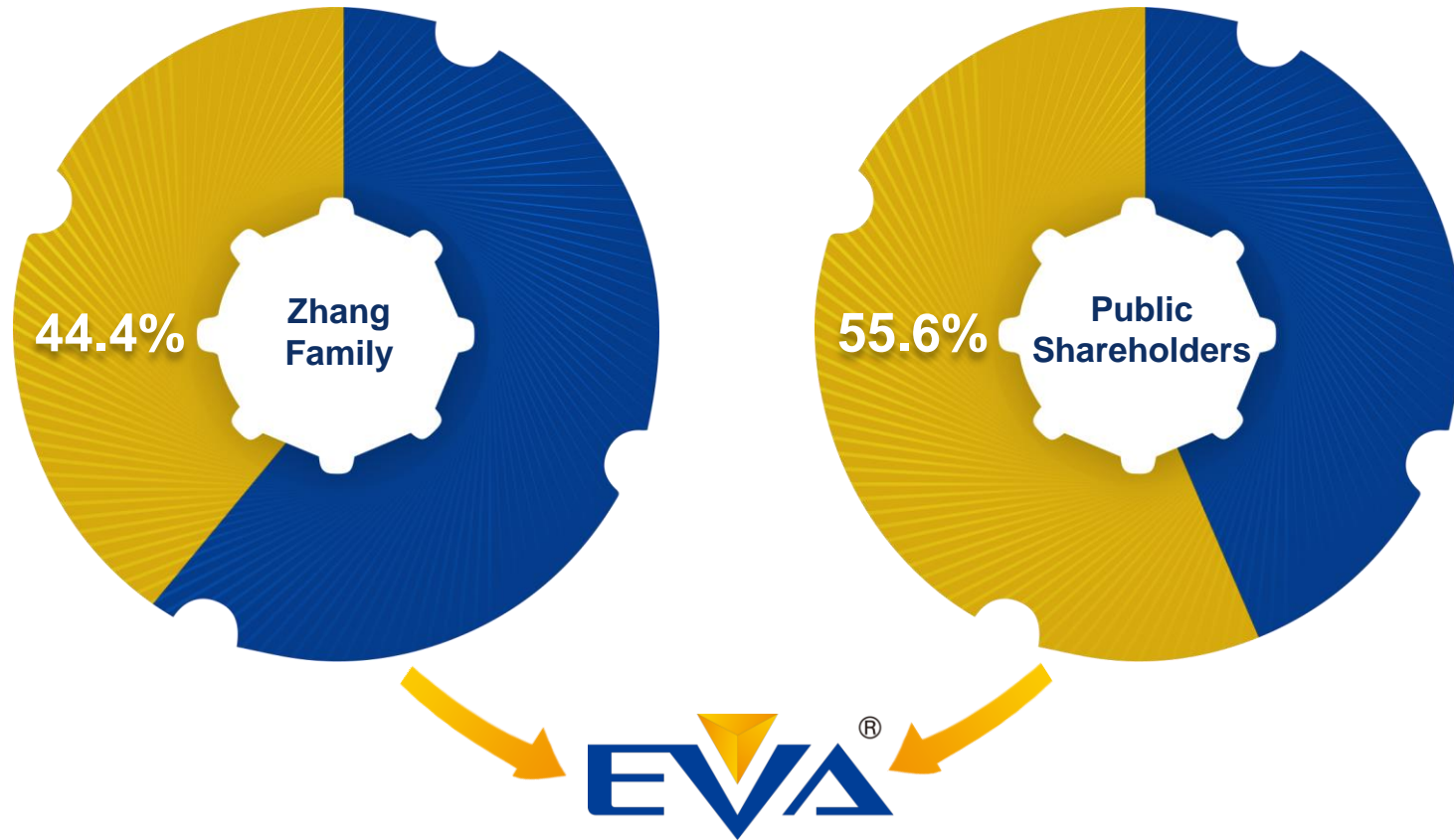


MAJOR AWARDS AND ACCOLADES (CONT'D)

Year	Honors	Company/Organisation
2021	Guangdong Top 500 Manufacturing Enterprise	Guangdong Manufacturers Association
2021	Guangdong Top 500 Enterprise	Guangdong Provincial Enterprises Confederation & Guangdong Provincial Association of Entrepreneurs
2021	Shenzhen Top 500 Enterprise	Shenzhen Enterprise Confederation & Shenzhen Entrepreneur Association
2021	Most Potential Supplier	Great Wall Motors
2021	Best Commissioning Assurance Award	Great Wall Motors
2021	A specialised, refined, differentiated and innovated small and medium enterprise	Guangdong & Chongqing governments
2021	Best Supplier Award	MiTAC



SHAREHOLDING STRUCTURE



- Total number of shares in issue as at 30 March 2022 = 1,749,119,800 shares
- Outstanding share options of 119,500,000 options as at 30 March 2022

EXPERIENCED MANAGEMENT TEAM

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

OUTLOOK

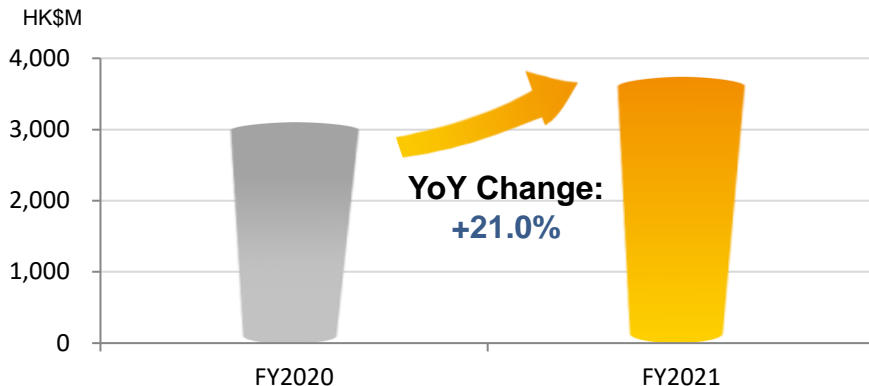
- Today, the COVID-19 pandemic is still impacting business activities worldwide, with the Delta and Omicron variants continuing their impacts in 2022 and spreading in countries across the globe. The recent conflict between Russia and Ukraine also poses threats to the global economy, as well as the financial and commodities markets, and may intensify global inflationary pressures, **exacerbate the supply chain disruption and the chip shortage issue**, in turn affecting the development of technology companies as well as the automobile industry.
- To tackle all of these challenges, the Group will **remain cautious and meticulous** when making in its operating, investment and financing decisions. We will also flexibly adapt to geopolitical changes and continue to implement **more stringent cost control measures** and **ensure effective management of our resources**.
- In addition, the Group will continue to make use of its **strong supply chain capabilities** and focus on **selecting projects with higher returns** by realigning its production and market strategies with market changes.
- In terms of investment, since 2020, the Group has **prioritised mitigating the impacts of the pandemic** and has adopted a prudent approach to capital expansion.
- As for financing, the Group will continue to adopt a **prudent treasury policy** and **maintain a healthy balance sheet**. As at 31 December 2021, the Group's net debt-to-equity ratio was 17.5% (31 December 2020: 15.0%).
- Looking ahead, as the Group **decelerates its capital expansion**, it will aim to reduce its borrowing level, thereby lowering finance costs. The Group will also closely monitor the interest rate trend and make reference to interest rate forecasts to make necessary adjustments to treasury decisions.

FINANCIAL INFORMATION

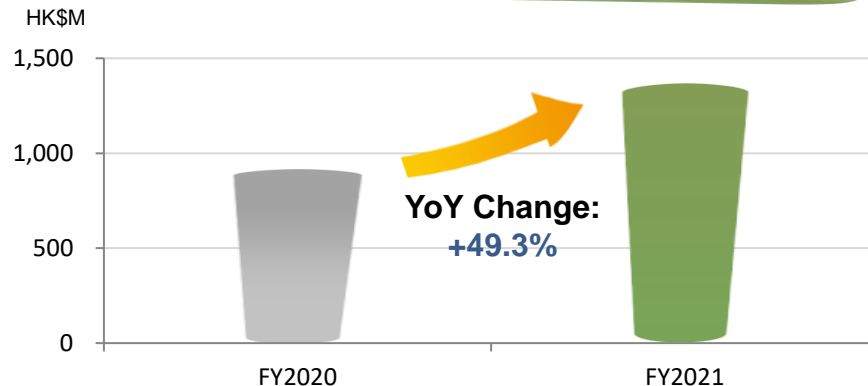


1H2021 BUSINESS RESULTS

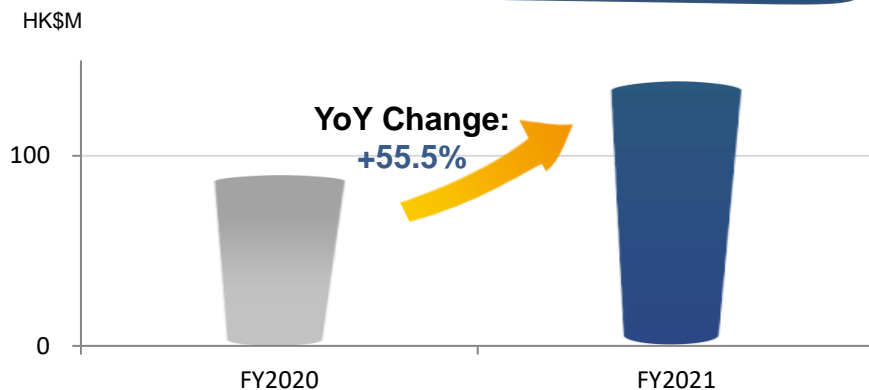
Segment Turnover - Office Automation Equipment



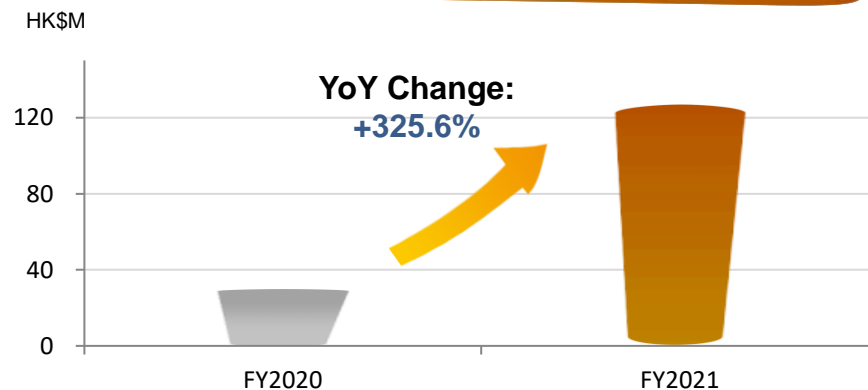
Segment Turnover - Automotive Component



Segment Profit - Office Automation Equipment



Segment Profit - Automotive Component



FINANCIAL PERFORMANCE

Consolidated Income Statement

Expressed in HK\$'000	2021	2020	YoY Chg
Revenue	5,108,777	4,008,459	27%
Cost of sales	(4,096,058)	(3,270,159)	25%
Gross profit	1,012,719	738,300	37%
Other income	31,759	38,033	-16%
Other losses - net	(4,909)	(7,697)	-36%
Selling and marketing costs	(314,933)	(237,464)	33%
General and administrative expenses	(505,690)	(462,717)	9%
Net impairment losses on financial ass	(24,350)	(33,800)	N/A
Operating profit	194,601	34,655	462%
Finance income	12,665	11,196	13%
Finance costs	(27,510)	(42,929)	-36%
Share of losses of associates	358	(16,076)	-102%
Profit before income tax	180,114	(13,154)	-1469%
Income tax expense	(24,924)	(2,217)	1024%
Profit attributable to equity holders of the Company	155,190	(15,371)	-1110%
Dividend	46,972	-	
Operating net cash flows	259,284	453,089	
Gross Margin	19.8%	18.4%	
Operating Margin	3.8%	0.9%	
Net Margin	3.0%	(0.4%)	
Dividend Payout Ratio	30.3%	N/A	

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 direct contribution of revenue arisen from the acquisition of Futaba Metal.

Gross profit margin increased to 19.8%, which was mainly driven by the increase in orders as mentioned above and fewer production delays as a result of resumption of economic activities, thus achieving a better utilisation of the Group's production facilities.

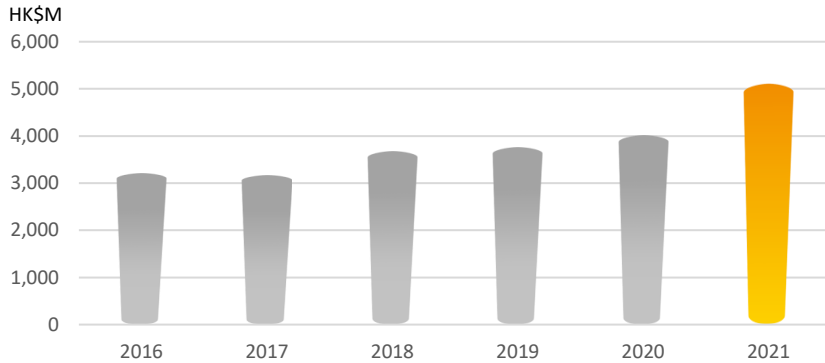
During the year, as a result of a surge in turnover as well as improved gross profit margin as mentioned above, the Group recorded operating profit of HK\$194,601,000 (2020: HK\$34,655,000).

As a result, the Group recorded a net profit of HK\$155,190,000 as compared with a loss of HK\$15,371,000 for the first half of 2020.

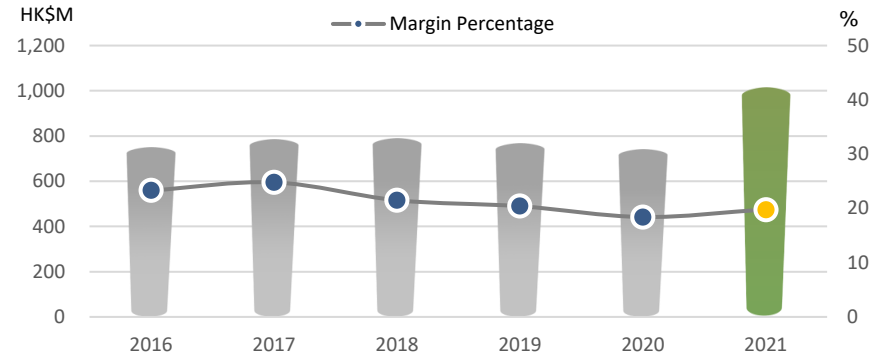
The Board declared a final dividend of HK1.5 cent per ordinary share, together with the interim dividends totaling HK\$46,972,000, for the year ended 31 December 2021.

FINANCIAL SUMMARY

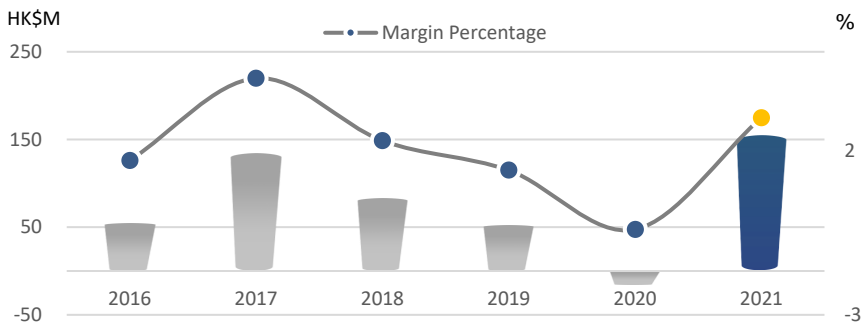
Revenue



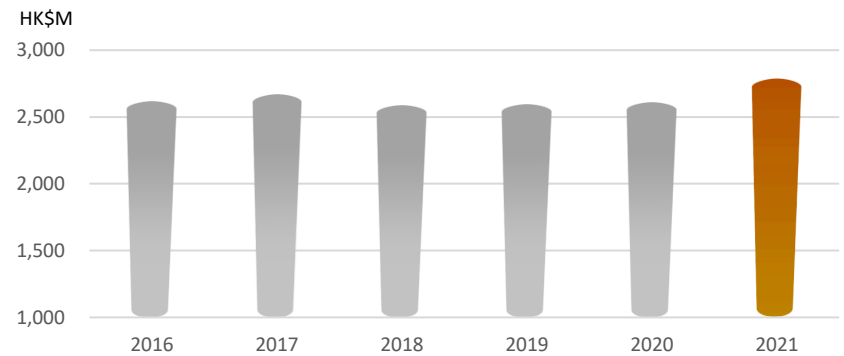
Gross Profit and Margin



Net Profit and Margin

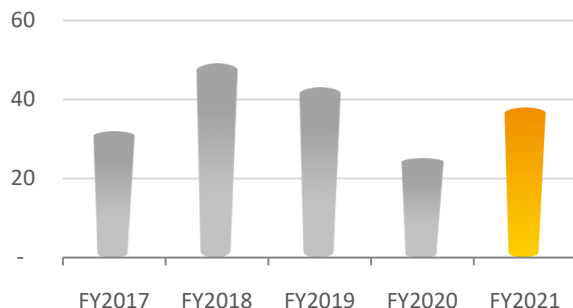


Net Assets

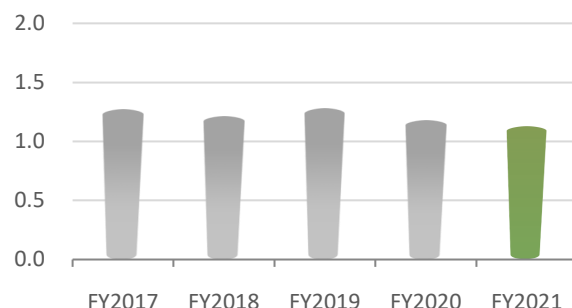


OTHER KEY FINANCIAL RATIOS

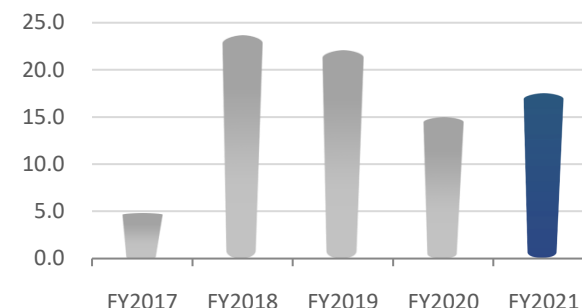
Cash Conversion Cycle¹



Current Ratio



Net Debt-to-Equity Ratio²

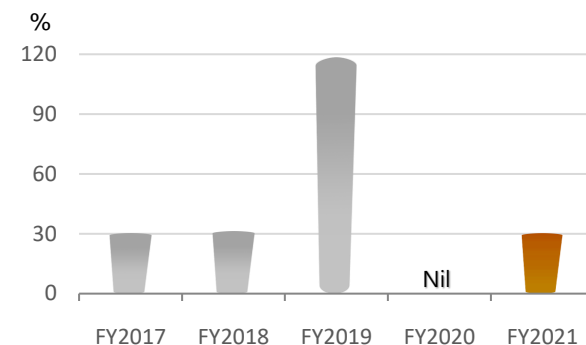


- Cash conversion cycle at 38 days.
- Net debt-to-equity was at 17.5% as at 31 December 2021.
- Normal dividend payout ratio at roughly 30% of net profit over the years except for 2020 due to net loss incurred.
- Dividend payout ratio was 118.5% in 2019 due to special dividend declared to celebrate the 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 incurred but are deemed as lease liabilities under the newly adopted 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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