



EVA Precision Industrial Holdings Limited

億和精密工業控股有限公司

Stock code: 838 HK

INTERIM RESULTS  
PRESENTATION

AUGUST 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** and **2024**, the integration had a **full-blown impact** on the sales orders, gross profit margin and profit margin for the Group.

## BUSINESS HIGHLIGHTS (CONT'D)

⚙️ During the period, the Group capitalised on the global economic recovery. Its two major business segments, office automation (“OA”) equipment and automotive components, recorded steady growth. For the six months ended 30 June 2024, the Group’s **turnover increased** by **4.8%** year-on-year to **HK\$2,999,779,000** (1H2023: HK\$2,862,158,000). **Operating profit increased** by **3.7%** year-on-year to **HK\$195,982,000** (1H 2023: HK\$189,006,000).

⚙️ **Profit** attributable to equity holders **increased** by **4.2%** year-on-year to **HK\$127,813,000** (1H2023: HK\$122,624,000). **Basic earnings per share rose** by **4.3%** year-on-year to **HK7.3 cents** (1H2023: basic earnings per share of HK7.0 cents). The Group’s turnover and operating profit **increased steadily** as a result of the Group’s efforts to diversify its presence and optimise internal management over the past decade, including proactively managing the supply chain network, regulating suppliers and reviewing supply chain partners and their potential risks, price negotiation with customers, exploring market opportunities, and deepening the framework of cooperation with long-term customers, all of which helped the Group to effectively mitigate various risk factors.

⚙️ During the period, the Group’s **overall gross profit margin increased** by **1.1 percentage points** to **20.1%** (1H2023: 19.0%) compared with the same period last year, mainly due to the continuous improvement in the capacity utilisation rate of the industrial parks in **Wuhan** and **Mexico** of the Group’s automotive component business in the first half of 2024. In addition, the Group gradually reduced its lower margin products in the existing customer base of the two major businesses in order to **improve overall product value**.

## BUSINESS HIGHLIGHTS (CONT'D)

- ⚙️ During the period, the Group continued to work closely with customers, and the **OA equipment business** grew steadily with **turnover up 2.5%** to **HK\$2,056,701,000** over the same period last year (1H2023: HK\$2,007,246,000). As the destocking in the industry gradually came to an end, the increase in segment turnover was mainly driven by the year-on-year increase in total sales to major customers such as **Fujifilm, Kyocera** and **Toshiba**.
- ⚙️ In the first half of 2024, market situation of the automotive industry improved. The Group's **automotive component segment** was able to grasp the opportunities deriving from global economic growth, increase in automobile market consumption, and the rapidly developing new energy vehicle ("NEV") industry. **Turnover increased by 10.3%** year-on-year to **HK\$943,078,000** (1H2023: HK\$854,912,000).
- ⚙️ The Group's **office automation equipment division** recorded a **slightly reduced operating profit margin** of **8.0%** (1H2023: 8.2%) for the six months ended 30 June 2024. This was mainly because despite improved cost control and overall gross profit margin level for the segment, a **one-off gain** related to the write-back of provisions from previous acquisition was recognised in the **same period last year**, but none during the period. Hence, the segmental profit margin decreased slightly by 0.2 percentage points.
- ⚙️ Despite higher utilisation rates in our production plants in **Wuhan** and **Mexico**, the **operating profit margin** of the Group's **automotive component division** **dropped to 5.5%** (1H2023: 5.8%). This was mainly because of a **net exchange loss** recorded in the segment during the period as opposed to a net exchange gain in the corresponding period in 2023 primarily due to exchange rate **fluctuation of Mexican Peso against the US dollar**.

# 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

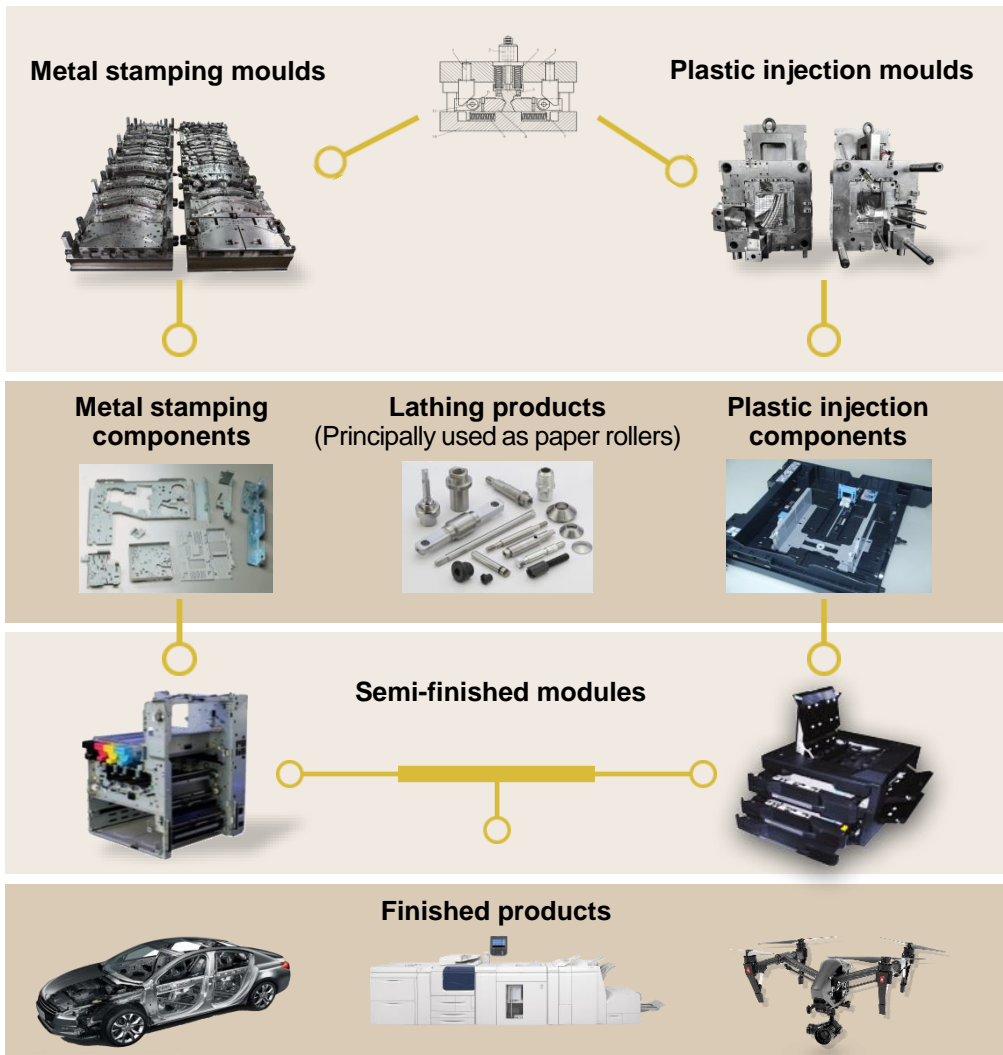
## Market Position

- ⚙️ 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 and Adient.**

## 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

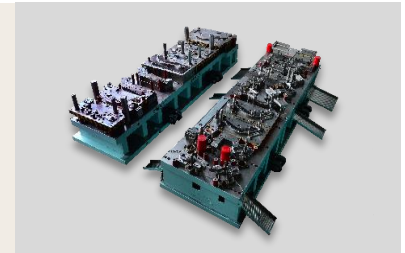


## Mould is the “Mother Tool” of manufacturing

- ⚙️ 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.

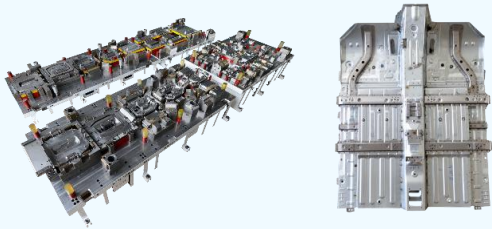
## Production automation to improve efficiency

- ⚙️ 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.

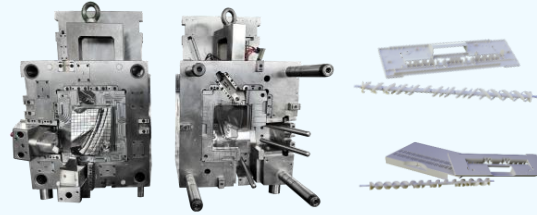


# INDUSTRY LEADING TECHNOLOGIES (CONT'D)

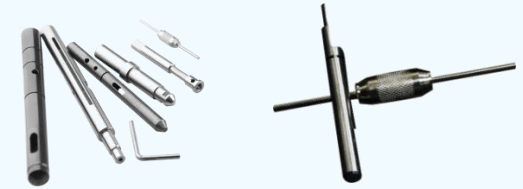
## Products



**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).

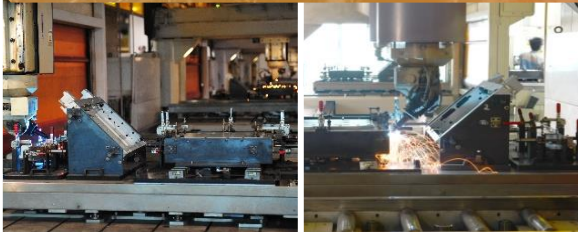
- ⚙️ Moulds for thin-walled plastic products with thickness of only 0.2mm.
- ⚙️ Moulds for high-precision plastic gears.
- ⚙️ Light-weight and high-precision plastic rollers for paper pickup and image forming.
- ⚙️ In-mould decoration (IMD) and environmental friendly hot runner technologies.

- ⚙️ 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.

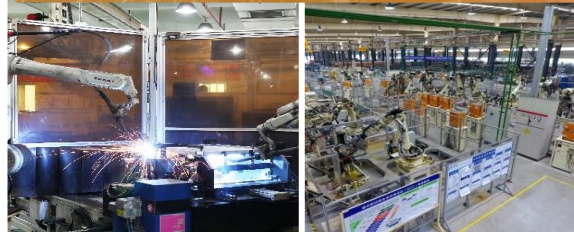
# INDUSTRY LEADING TECHNOLOGIES (CONT'D)

## 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.

## Capability of 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.
- ⚙️ Expanded to provide D-EMS to increase market penetration and achieve business diversification.

**EPSON**  
EXCEED YOUR VISION

**RICOH**  
imagine. change.

**KYOCERA**



**TOSHIBA**

**Canon**

**brother**  
at your side

**FUJIFILM**

 **KONICA MINOLTA**



## Leading position in the industry

- ⚙️ The supplier base of OA equipment market is presently fragmented.
- ⚙️ Other suppliers in this market are highly specialised in single 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**.

# 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 has already commenced in the second half of 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 4th quarter of 2024.

## Market overview

The OA equipment market is undergoing constant change, including the integration of procurement and production of certain OA equipment customers, as well as some of the OA equipment orders moving to the South. These trends have also brought challenges and opportunities to the market. The management believes that the Group, as a leader in the OA equipment sector with many years of industry experience, has the ability to seize the emerging development opportunities.

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%.



# 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. In 2024, the 1250T and 2500T presses that the Group invested in 2023 began operation to meet increasing orders from customers such as Faurecia and Brose.

## Market overview

According to the “Global EV Outlook 2024” published by the International Energy Agency (“IEA”), global NEV sales volume will reach 17 million in 2024, and global demand for NEV will continue to grow strongly in the next decade. With a strong strategic layout and continuous investment in innovation, the Group’s automotive component business has established a healthy and sustainable growth momentum. According to the China Association of Automobile Manufacturers (“CAAM”), China’s automobile production and sales volume reached 13.89 million and 14.04 million, respectively, in the first half of 2024, representing a year-on-year growth of 4.9% and 6.1%, respectively. Of this, the production and sales volume of NEVs reached 4.929 million and 4.944 million respectively, representing a year-on-year growth of 30.1% and 32%, and the market share of NEVs increased to 35.2%. Looking ahead to the second half, China’s implementation of the “trade-in” incentives and the policy of popularising NEVs in rural areas, as well as the frequent launch of innovative products by enterprises, will explore the consumption potential of the automotive market, and give the automotive industry strong impetus to achieve a stable annual growth target.



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



2000T 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.
- ⚙️ 2000T 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



2700T 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 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.
- ⚙️ In 2024, the 1250T and 2500T presses that the Group invested in 2023 began operation to meet increasing orders from customers such as Faurecia and Brose.



Stamping Production Line



Digit Mexico (SLP) Automobile Industrial Park

# AUTOMOTIVE COMPONENTS (CONT'D)

## Product Overview

### Body structures



### Chassis



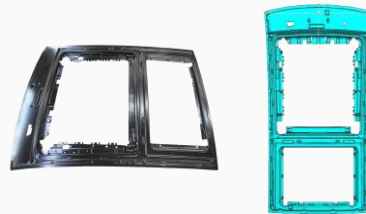
### Battery covers



### Automobile seat frames



### Sunroof frames



### Onboard storage battery systems



### Photovoltaic inverter parts



### Electronic control and engine parts



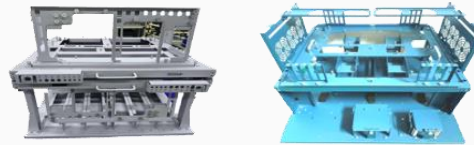
# INTERNET SERVER BUSINESS

## 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
- ⚙️ **D-EMS** leading capability

- ⚙️ 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**



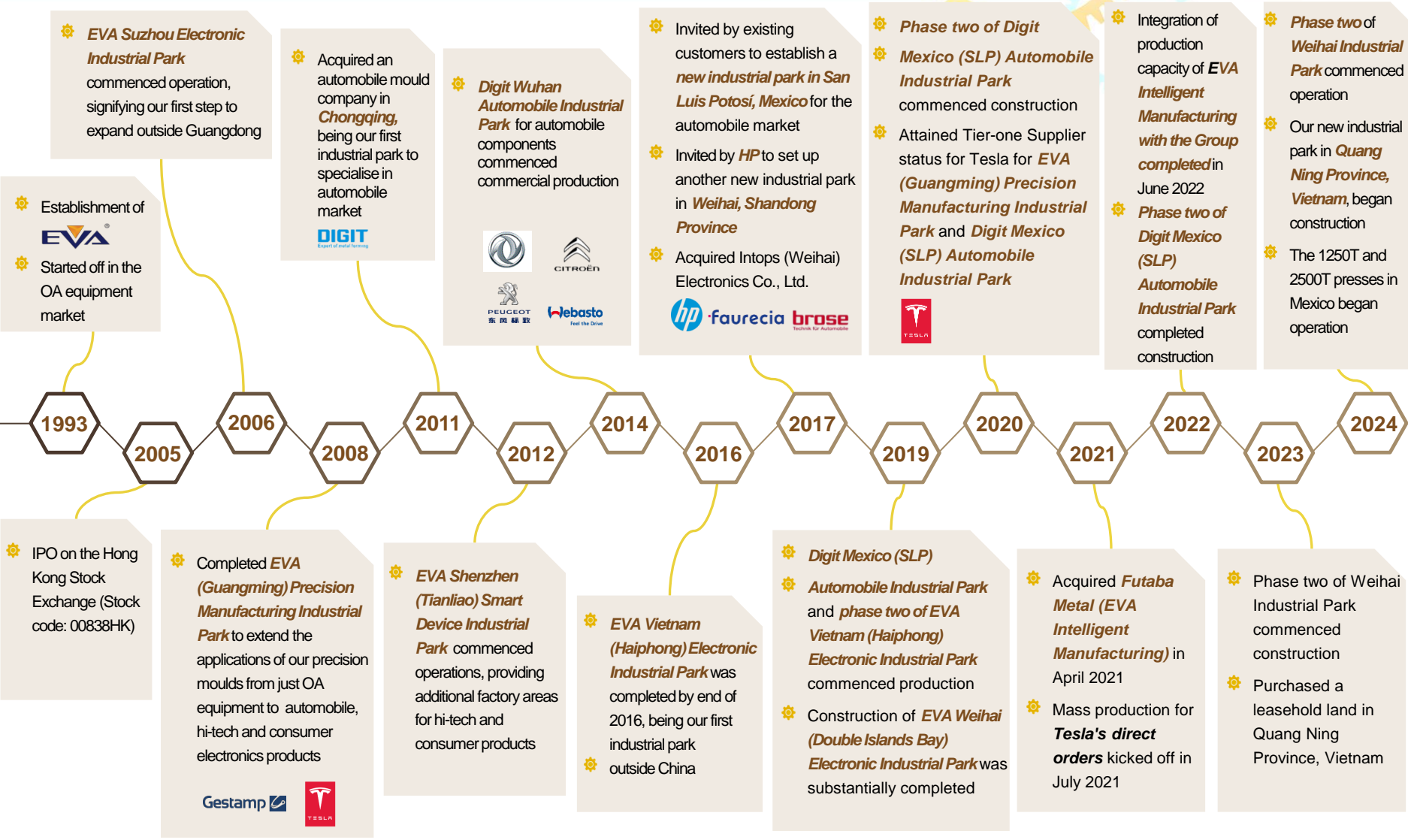
- ⚙️ **Strong management and engineering team** with more than 30 years of experience in industry
- ⚙️ Conservative financial management and efficient cash conversion cycle<sup>1</sup> over the years
- ⚙️ Dedicated to streamlining costs and headcount through production automation and other cost control 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.

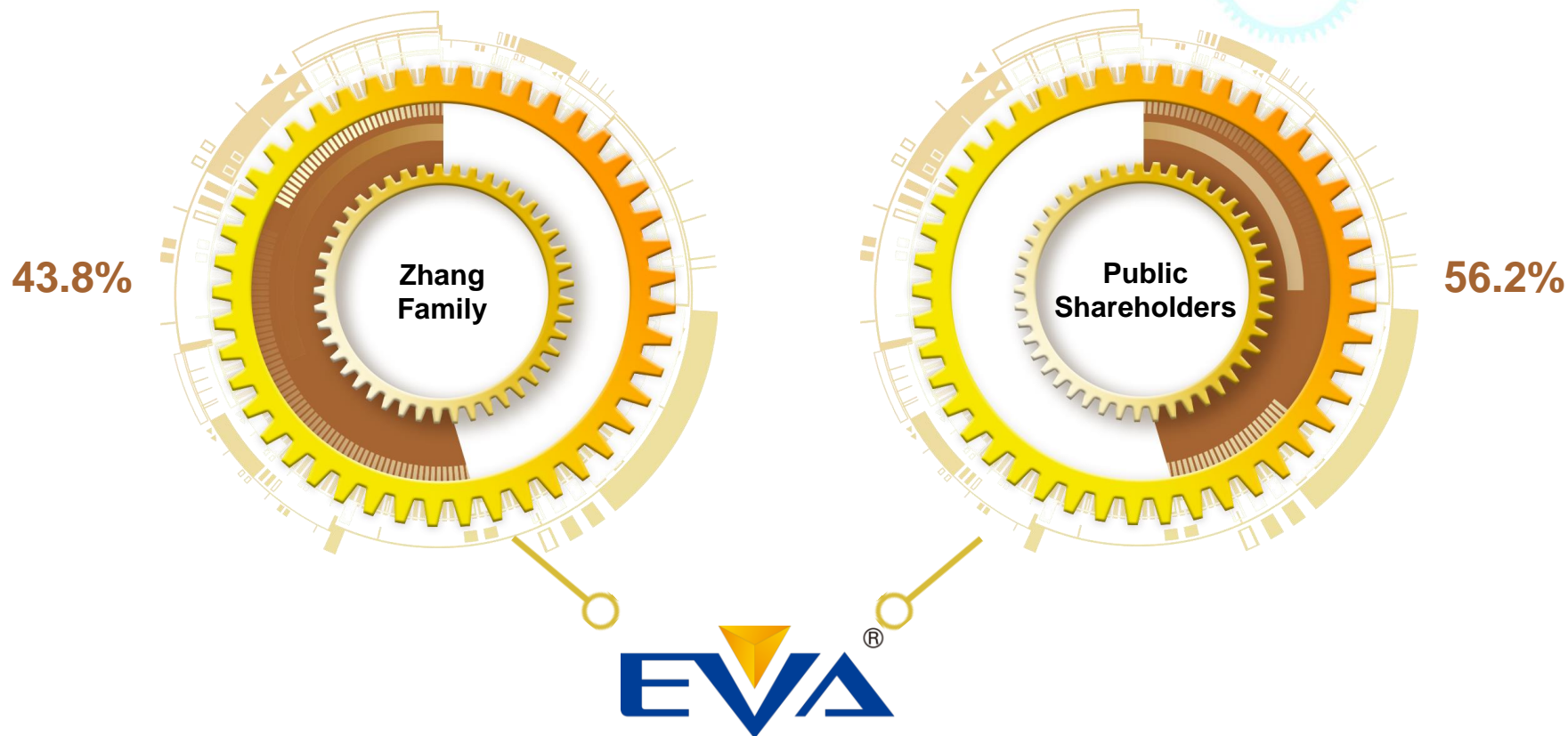


## Digit (Chengyu) Automotive Industrial Park

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



# SHAREHOLDING STRUCTURE

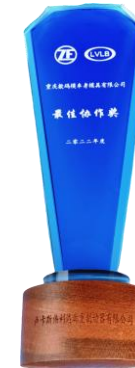


- ⚙ Total number of shares in issue as at 28 August 2024 = 1,740,919,800 shares
- ⚙ Outstanding share options of 119,200,000 options as at 28 August 2024



# MAJOR AWARDS AND ACCOLADES

Year	Honors	Company/Organisation
2000-2024	ISO9001 Certification	BSI Group
2003-2024	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
2011–2024	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
2020-2024	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

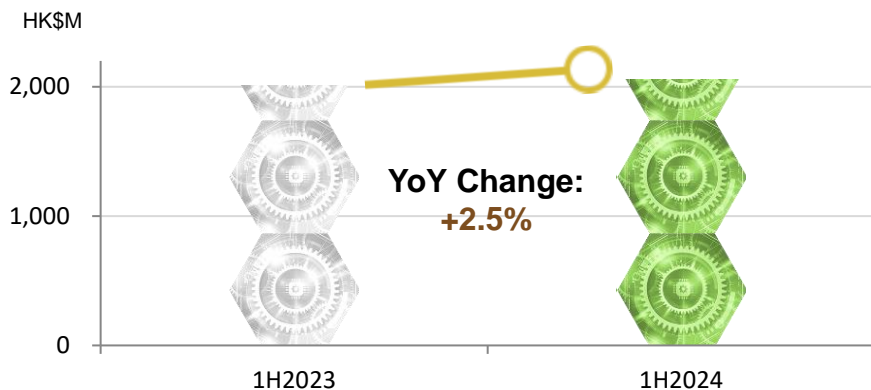
- With the ever-changing environment and the advent of the era of artificial intelligence (“AI”) and big data, the demand for data centres and high-quality and stable servers will continue to grow. The Group has seized market opportunities and is committed to expanding its Internet and information business to inject new impetus into its business growth.
- Leveraging its global production layout, formidable R&D team, premium quality production resources and highly synergistic supply chain network, and based on the foundation of its core stamping and automated processing technologies and its laser welding techniques, the Group has started to provide services such as the development, production and assembly of moulds for server control box and server case components to renowned Internet customers, setting the stage for future business expansion, diversification and sustainable development.
- Currently, the Group’s server mould development and production base is located in Shenzhen, allowing the Group to take advantage of the sufficient resources and production capacity of its Shenzhen Industrial Park, and also prepare for the gradual relocation of the OA equipment business to Southeast Asia in the coming years. In the first half of 2024, seven of the Group’s server-related projects were already in production.
- In the second half of the year, the future direction of monetary policies remain uncertain, the market may continue to fluctuate, and the geopolitical and economic environment will become more complicated. The Group will maintain its dual focus on developing the OA equipment and automotive component business, deepening the design and assembly technology of the former and strengthening the manufacturing and assembly technology of the latter.

# FINANCIAL INFORMATION

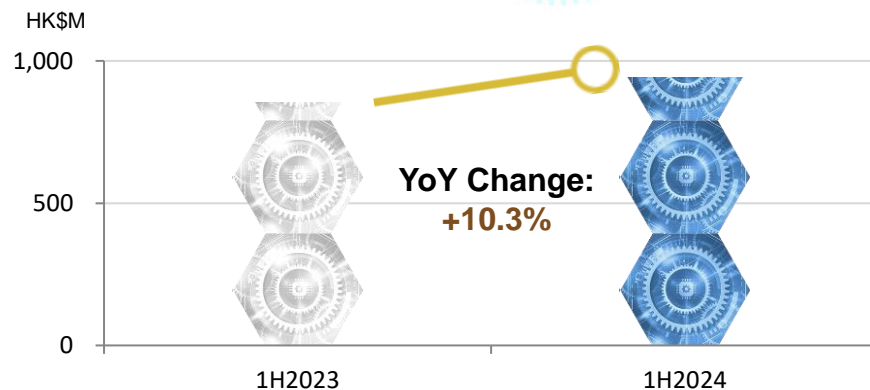


# 1H2024 BUSINESS RESULTS

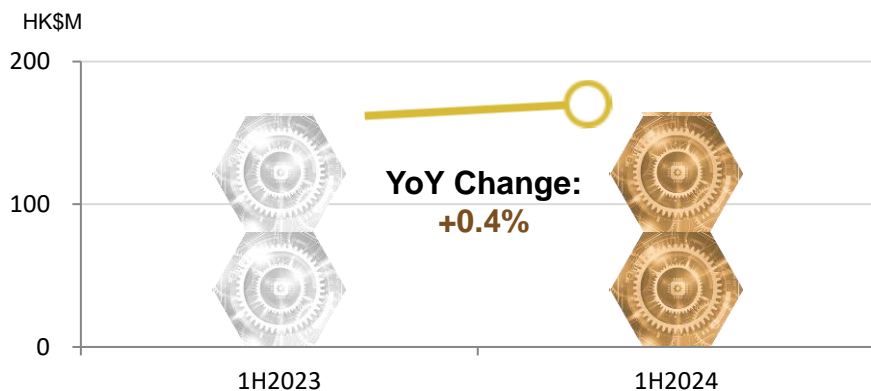
## Segment Turnover - Office Automation Equipment



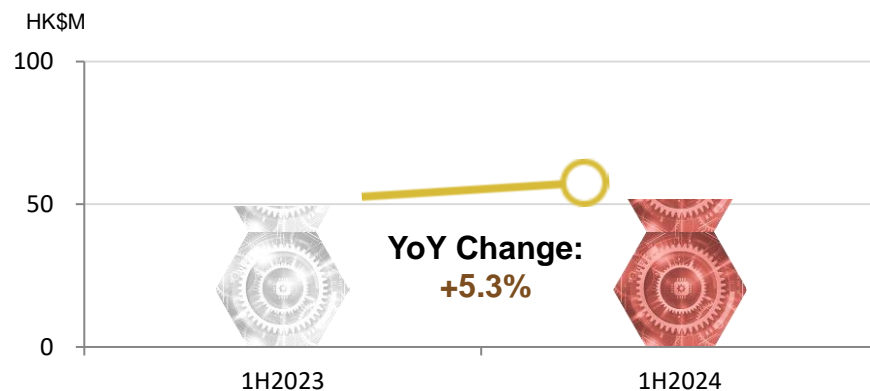
## Segment Turnover - Automotive Component



## Segment Profit - Office Automation Equipment



## Segment Profit - Automotive Component





# FINANCIAL PERFORMANCE

## Consolidated Income Statement

Expressed in HK\$'000	1H2024	1H2023	YoY Chg
<b>Revenue</b>	<b>2,999,779</b>	<b>2,862,158</b>	<b>5%</b>
Cost of sales	(2,397,115)	(2,317,158)	3%
<b>Gross profit</b>	<b>602,664</b>	<b>545,000</b>	<b>11%</b>
Other income	21,938	30,063	-27%
Other (losses)/gains - net	(7,161)	28,104	-125%
Selling and marketing costs	(117,011)	(125,250)	-7%
General and administrative expenses	(304,448)	(288,911)	5%
<b>Operating profit</b>	<b>195,982</b>	<b>189,006</b>	<b>4%</b>
Finance income	17,071	17,103	0%
Finance costs	(64,582)	(61,668)	5%
Impairment losses for investment in associates	(7,200)	0	N/A
Share of losses of associates	(220)	(359)	-39%
<b>Profit before income tax</b>	<b>141,051</b>	<b>144,082</b>	<b>-2%</b>
Income tax expense	(13,238)	(21,458)	-38%
<b>Profit attributable to equity holders of the Company</b>	<b>127,813</b>	<b>122,624</b>	<b>4%</b>
<b>Dividend</b>	<b>38,300</b>	<b>36,559</b>	
<b>Operating net cash flows</b>	<b>275,602</b>	<b>97,618</b>	
<b>Gross Margin</b>	<b>20.1%</b>	<b>19.0%</b>	
<b>Operating Margin</b>	<b>6.5%</b>	<b>6.6%</b>	
<b>Net Margin</b>	<b>4.3%</b>	<b>4.3%</b>	
<b>Dividend Payout Ratio</b>	<b>30.0%</b>	<b>29.8%</b>	

During the period, the Group's turnover increased by 4.8% to HK\$2,999,779,000, which was primarily due to improved order momentum in the first half of 2024 as a result of the Group's efforts in strengthening relationship with existing customers and developing new customer orders.

During the period, gross profit margin improved to 20.1% (1H2023: 19.0%), which was mainly driven by our focuses on developing high value-added orders, enhanced operational efficiency, as well as higher utilisation in our production facilities, especially those in Wuhan and Mexico.

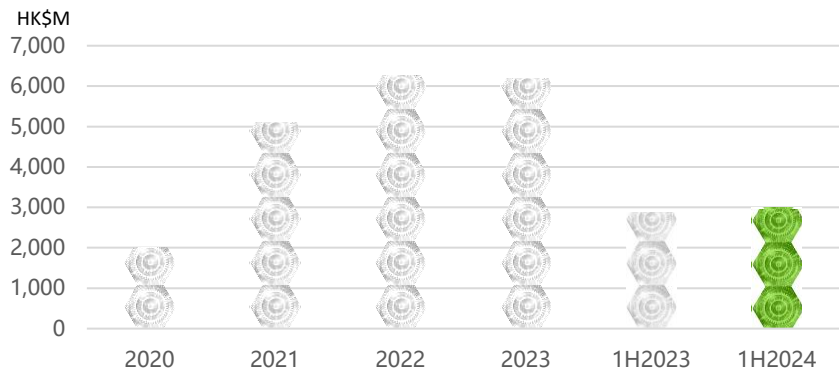
During the period, the Group recorded operating profit of HK\$195,982,000 (1H2023: HK\$189,006,000), primarily because of the improved gross profit margin as mentioned above. Despite higher gross profit earned, the Group recorded less other income since there was one-off gain of HK\$14,585,000 related to the write-back of provisions from previous acquisition recognised in the first half of 2023 but none in the same period in 2024. In addition, the Group recorded a net exchange loss amounting to HK\$6,804,000 during the period as opposed to a net exchange gain of HK\$28,325,000 in the first half of 2023 primarily due to exchange rate fluctuation of Mexican Peso against the US dollar.

During the period, the Group recorded profit attributable to equity holders of the Company amounting to HK\$127,813,000 (1H2023: HK\$122,624,000), primarily because of the improved gross profit margin as mentioned above. However, investment in an associate company amounting to HK\$7,200,000 had an offsetting impact on the net profit of the Group.

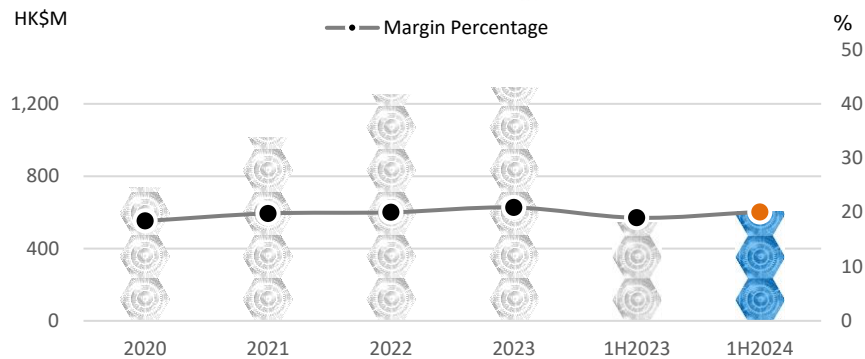
The Board declared an interim dividend of HK2.2 cents per ordinary share totaling HK\$38,300,000 for the six months ended 30 June 2024.

# FINANCIAL SUMMARY

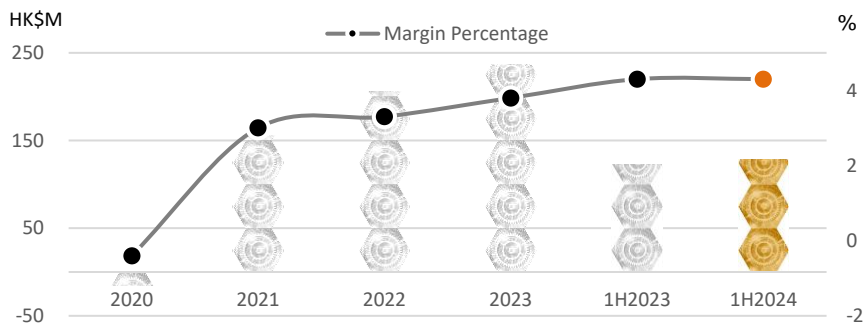
## Revenue



## Gross Profit and Margin



## Net Profit and Margin

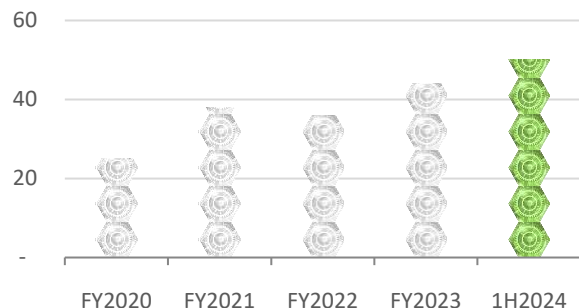


## Net Assets

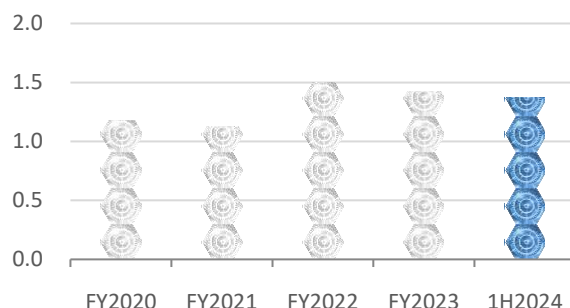


# OTHER KEY FINANCIAL RATIOS

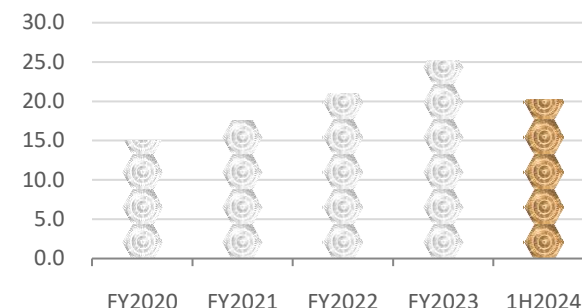
## Cash Conversion Cycle<sup>1</sup>



## Current Ratio



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

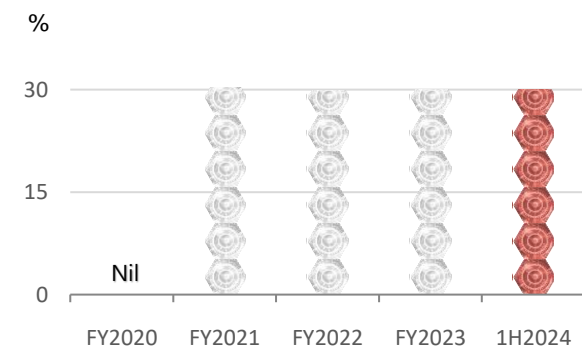


- ⚙️ Cash conversion cycle at 50 days.
- ⚙️ Net debt-to-equity was at 20.2% as at 30 June 2024.
- ⚙️ Normal dividend payout ratio at roughly 30% of net profit over the years except for 2020 due to net loss incurred.

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 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.

For more information:

**EVA Precision Industrial Holdings Limited**

Joyce Lee

Phone: +852 2620 6488

Email: [joycelee@eva-group.com](mailto:joycelee@eva-group.com)

Fax: +852 2191 9978