EVA Precision Industrial Holdings Limited
億和精密工業控股有限公司

(Incorporated with limited liability in the Cayman Islands)
(Stock Code: 838)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL RESULTS

The Board of Directors of EVA Precision Industrial Holdings Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2025 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Note	**Unaudited Six months ended 30 June 2025** *HK$'000*	2024 *HK$'000*
Revenue	*4*	**3,055,327**	2,999,779
Cost of sales		**(2,435,501)**	(2,397,115)
Gross profit		**619,826**	602,664
Other income		**19,869**	21,938
Other gains/(losses) – net		**11,778**	(7,161)
Selling and marketing costs		**(115,201)**	(117,011)
General and administrative expenses		**(328,382)**	(304,448)
Operating profit	*5*	**207,890**	195,982
Finance income	*6*	**15,207**	17,071
Finance costs	*6*	**(57,477)**	(64,582)
Impairment losses for investment in associates		**–**	(7,200)
Share of profits/(losses) of associates		**257**	(220)
Profit before income tax		**165,877**	141,051
Income tax expense	*7*	**(30,949)**	(13,238)
Profit for the period		**134,928**	127,813
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss			
– Currency translation differences		**26,177**	33,619
Items that will not be reclassified to profit or loss			
– Revaluation gains on financial assets at fair value through other comprehensive income		**–**	711
Total comprehensive income for the period		**161,105**	162,143
Profit for the period attributable to equity holders of the Company		**134,928**	127,813
Total comprehensive income for the period attributable to equity holders of the Company		**161,105**	162,143
Earnings per share for profit attributable to equity holders of the Company during the period (expressed in HK cents per share)			
– basic	*8*	**7.8**	7.3
– diluted	*8*	**7.8**	7.3

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

		Unaudited 30 June 2025 HK$'000	Audited 31 December 2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**2,756,835**	2,680,862
Right-of-use assets		**322,613**	334,567
Intangible assets		**2,944**	3,088
Investments in associates		**22,532**	21,051
Financial assets at fair value through other comprehensive income		**15,132**	15,132
Prepayments, deposits and other receivables		**83,782**	103,685
Deferred income tax assets		**4,298**	4,271
		3,208,136	3,162,656
Current assets			
Inventories		**639,235**	639,885
Trade receivables	*10*	**1,785,814**	1,794,336
Prepayments, deposits and other receivables		**89,288**	65,339
Restricted bank deposits		**61,513**	73,534
Short-term bank deposits		**8,426**	–
Cash and cash equivalents		**1,753,284**	1,738,949
		4,337,560	4,312,043
LIABILITIES			
Current liabilities			
Trade payables	*11*	**1,461,897**	1,509,715
Contract liabilities		**159,290**	132,241
Accruals and other payables		**271,980**	271,245
Bank borrowings		**934,874**	847,599
Lease liabilities		**19,764**	20,741
Current income tax liabilities		**43,771**	30,097
		2,891,576	2,811,638
Net current assets		**1,445,984**	1,500,405
Total assets less current liabilities		**4,654,120**	4,663,061

	Unaudited 30 June 2025 *HK$'000*	Audited 31 December 2024 *HK$'000*
Non-current liabilities		
Bank borrowings	**1,318,400**	1,436,900
Lease liabilities	**54,487**	63,014
Deferred income tax liabilities	**20,780**	21,226
	1,393,667	1,521,140
Net assets	**3,260,453**	3,141,921
EQUITY		
Capital and reserves		
Share capital	**173,044**	174,092
Reserves	**3,087,409**	2,967,829
Total equity	**3,260,453**	3,141,921

Notes:

1 BASIS OF PRESENTATION

The Company is an investment holding company, and its subsidiaries are principally engaged in the provision of precision manufacturing services, focusing on the production of moulds and components with high quality standard and dimensional accuracy.

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 11 May 2005.

The condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The condensed consolidated interim financial information is presented in Hong Kong dollars ("HK$"), unless otherwise stated, and was approved for issue by the Board of Directors on 27 August 2025. The condensed consolidated interim financial information has not been audited.

2 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) Relevant amendments to existing standards effective for the financial year beginning 1 January 2025

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability (amendments)

The adoption of the above amendments to standards does not have any significant impact to the results and financial position of the Group.

(b) The following new standards, amendments to standards and interpretations have been issued but not yet effective for the financial year beginning of 1 January 2025 and have not been early adopted

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments)	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Group will adopt the new amendments to standards when they become effective. The directors of the Group are in the process of assessing the financial impact of the adoption of the above new amendments to standards, none of which is expected to have a significant effect on the consolidated financial statements of the Group, except for HKFRS 18 which will impact the presentation of profit and loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

3 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive directors and senior management collectively. They review the Group's internal reporting in order to assess performance and allocate resources.

The Group is organised into two main business segments, namely, (i) office automation equipment and (ii) automotive components. Also, investments in associates and financial assets at fair value through other comprehensive income are reported as un-allocated assets in information provided to the chief operating decision-maker as they are not directly related to the segment performance.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of revenue and profit before interest and tax.

Information provided to the chief operating decision-maker is measured in a manner consistent with that in the condensed consolidated interim financial information.

The segment results and other segment items are as follows:

	Six months ended 30 June 2025				Six months ended 30 June 2024			
	Office automation equipment	**Automotive components**	**Inter-segment elimination**	**Total**	Office automation equipment	Automotive components	Inter-segment elimination	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	**2,016,535**	**1,038,792**	**–**	**3,055,327**	2,056,701	943,078	–	2,999,779
Inter-segment sales	**19,766**	**57,009**	**(76,775)**	**–**	5,333	46,639	(51,972)	–
Total	**2,036,301**	**1,095,801**	**(76,775)**	**3,055,327**	2,062,034	989,717	(51,972)	2,999,779
Segment results	**138,962**	**85,406**		**224,368**	164,533	51,806		216,339
Unallocated expenses				**(16,478)**				(20,357)
Finance income				**15,207**				17,071
Finance costs				**(57,477)**				(64,582)
Impairment losses for investment in an associate				**–**				(7,200)
Share of profits/(losses) of associates				**257**				(220)
Profit before income tax				**165,877**				141,051
Income tax expenses				**(30,949)**				(13,238)
Profit for the period				**134,928**				127,813
Depreciation	**71,090**	**99,849**		**170,939**	62,124	86,474		148,598
Amortisation	**144**	**–**		**144**	822	–		822

For the six months ended 30 June 2025 and 2024, unallocated expenses represent corporate expenses.

The segment assets and liabilities are as follows:

	As at 30 June 2025				As at 31 December 2024			
	Office automation equipment	**Automotive components**	**Un-allocated**	**Total**	Office automation equipment	Automotive components	Un-allocated	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets	**4,335,432**	**3,166,194**	**44,070**	**7,545,696**	4,282,114	3,148,948	43,637	7,474,699
Liabilities	**1,096,260**	**865,488**	**2,323,495**	**4,285,243**	1,118,575	873,220	2,340,983	4,332,778

The segment capital expenditure is as follows:

	Six months ended 30 June 2025				Six months ended 30 June 2024			
	Office automation equipment	**Automotive components**	**Un-allocated**	**Total**	Office automation equipment	Automotive components	Un-allocated	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Capital expenditure	**146,961**	**74,698**	**–**	**221,659**	108,898	89,496	–	198,394

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade receivables, short-term bank deposits, restricted bank deposits, certain prepayments, deposits and other receivables, and cash and cash equivalents.

Segment liabilities comprise operating liabilities but exclude bank borrowings, current income tax liabilities, deferred income tax liabilities and certain accruals and other payables.

Capital expenditure comprises additions to property, plant and equipment and right-of-use assets.

Segment assets and liabilities are reconciled to the Group's assets and liabilities at 30 June 2025 as follows:

	Assets *HK$'000*	**Liabilities** *HK$'000*
Segment assets/liabilities	**7,501,626**	**1,961,748**
Unallocated:		
Investments in associates	**22,532**	**–**
Financial assets at fair value through other comprehensive income	**15,132**	**–**
Cash and cash equivalents	**1,449**	**–**
Deferred income tax assets	**4,298**	**–**
Prepayments, deposits and other receivables	**659**	**–**
Current income tax liabilities	**–**	**43,771**
Deferred income tax liabilities	**–**	**20,780**
Bank borrowings	**–**	**2,253,274**
Accruals and other payables	**–**	**5,670**
Total	**7,545,696**	**4,285,243**

Segment assets and liabilities are reconciled to the Group's assets and liabilities at 31 December 2024 as follows:

	Assets *HK$'000*	Liabilities *HK$'000*
Segment assets/liabilities	7,431,062	1,991,795
Unallocated:		
Investments in associates	21,051	–
Financial assets at fair value through other comprehensive income	15,132	–
Cash and cash equivalents	1,220	–
Deferred income tax assets	4,271	–
Prepayments, deposits and other receivables	1,963	–
Current income tax liabilities	–	30,097
Deferred income tax liabilities	–	21,226
Bank borrowings	–	2,284,499
Accruals and other payables	–	5,161
Total	7,474,699	4,332,778

During the six months ended 30 June 2025, the aggregated revenue from the top customer, which contributed more than 10% of the Group's revenue, amounted to approximately HK$939,277,000 (six months ended 30 June 2024: the top customers: HK$1,002,813,000).

Revenue from external customers, based on the destination of the shipment, and assets by geographical region are as follows:

Revenues by geographical region

	Six months ended 30 June 2025				Six months ended 30 June 2024			
	The People's Republic of China ("PRC")	**Vietnam**	**Mexico**	**Total**	PRC	Vietnam	Mexico	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**2,258,624**	**436,576**	**360,127**	**3,055,327**	2,241,238	376,883	381,658	2,999,779

Assets by geographical region

	As at 30 June 2025				As at 31 December 2024			
	PRC	**Vietnam**	**Mexico**	**Total**	PRC	Vietnam	Mexico	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total non-current assets	**2,364,449**	**394,167**	**449,520**	**3,208,136**	2,369,104	341,299	452,253	3,162,656
Total assets	**5,711,481**	**967,759**	**866,456**	**7,545,696**	5,623,117	981,886	869,696	7,474,699

4 REVENUE

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Sale of moulds and components	**2,990,305**	2,935,017
Others *(Note)*	**65,022**	64,762
	3,055,327	2,999,779

The Group derives all revenue from the sales of goods at a point in time.

Note: Others mainly represent proceeds from sales of scrap materials.

5 OPERATING PROFIT

The operating profit is stated after charging the following:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Raw materials used	**1,775,856**	1,795,752
Production overhead costs (excluding labour and depreciation expenses)	**179,049**	175,861
Staff costs, including directors' emoluments and share option costs		
– Wages, salaries and bonus	**515,012**	480,650
– Staff welfare	**24,043**	26,762
– Retirement benefit – defined contribution plans	**50,449**	41,515
Depreciation		
– Property, plant and equipment	**156,903**	135,398
– Right-of-use assets	**14,036**	13,200
Amortisation of intangible assets	**144**	822
Provision for inventory obsolescence	**26,414**	15,316
Operating lease rental for short-term and low-value leases	**424**	867

6 FINANCE INCOME/(COSTS)

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Finance income		
Interest income from bank deposits	**15,207**	17,071
Finance costs		
Interest expense on:		
Bank borrowings	**(62,628)**	(80,660)
Lease liabilities – Factory and office premises	**(1,970)**	(1,806)
Interest capitalised	**7,121**	17,884
	(57,477)	(64,582)

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Current taxation		
– PRC corporate income tax	**(17,123)**	(24,043)
– Overseas corporate income tax	**(13,802)**	(6,341)
(Under)/over-provision in prior years	**(497)**	18,225
Deferred income tax	**473**	(1,079)
	(30,949)	(13,238)

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Basic

	Six months ended 30 June	
	2025	2024
Profit attributable to equity holders of the Company *(HK$'000)*	**134,928**	127,813
Weighted average number of ordinary shares in issue *('000)*	**1,730,438**	1,740,920
Basic earnings per share *(HK cents per share)*	**7.8**	7.3

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares (i.e. share options). A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The computation of the diluted earnings per share did not assume the exercise of the Company's outstanding share options as their exercise prices were higher than the average market price of the Company's shares for both periods.

9 DIVIDEND

An interim dividend of HK2.33 cents (six months ended 30 June 2024: HK2.2 cents) per ordinary share, amounting to HK$40,319,000 (six months ended 30 June 2024: HK$38,300,000), was declared by the directors of the Company for the six months ended 30 June 2025.

10 TRADE RECEIVABLES

The credit period granted by the Group to its customers is generally 30 to 180 days.

The aging of the trade receivables based on invoice date is as follows:

	As at	
	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
0 to 90 days	**1,262,939**	1,263,565
91 to 180 days	**524,063**	531,959
	1,787,002	1,795,524
Less: loss allowance	**(1,188)**	(1,188)
Trade receivables – net	**1,785,814**	1,794,336

The top five customers and the largest customer accounted for 37.45% (31 December 2024: 53.63%) and 10.36% (31 December 2024: 13.25%), respectively, of the trade receivables balance as at 30 June 2025. Other than these major customers, there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

During the six months ended 30 June 2025, no additional loss allowance was recorded for its trade receivables (six months ended 30 June 2024: Nil).

11 TRADE PAYABLES

The aging of trade payables is based on invoice date as follows:

	As at	
	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
0 to 90 days	**959,935**	1,376,505
91 to 180 days	**501,883**	133,210
181 to 360 days	**79**	–
	1,461,897	1,509,715

12 SUBSEQUENT EVENT

On 31 July 2025, the Group has entered in to a sales and purchase agreement with an independent third party for disposal of a land located in Weihai with the properties situated on the land, for a total consideration of RMB64,107,000, equivalent to approximately HK$70,518,470.

It is estimated that the Group will recognise a gain from the disposal of approximately HK$62,413,000 and will be recoginised in the consolidated statement of comprehensive income upon completion of the transaction.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Recapping the first half of 2025, the global political and economic landscape remained complex and volatile. At the impact of multiple factors, the global economy faced significant challenges. Nevertheless, key economies recorded divergent performances and that gave rise to highly uncertain external market environment, creating serious challenges for policymakers and market participants alike. Since the second quarter of 2025, the world was overshadowed by US tariff threats. Amid the tariff challenges and economic instability, even though the Group's office automation ("OA") equipment business was affected to some extent, the overall performance of the Group in the first half of the year remained stable, owed mainly to its two major synergistic strategic advantages – operating diversified businesses and expanding global presence – allowing it to demonstrate strong resilience amid economic instability, particularly under tariff pressures.

On the foundation of its two core segment businesses – OA equipment business and automotive component business, the Group has been vigorously developing information and communication technology ("ICT") related business. Backed by the Group's research and development ("R&D") expertise accumulated over the years, and cutting-edge manufacturing capabilities and efficient supply chain resources, the ICT business, on the foundation of stamping and automated processing technologies being used and integrating them with laser welding techniques, has developed internet server-related products, including server control boxes, energy storage units, and inverters, among others. Its key customers include a prominent Chinese high-tech company.

For the six months ended 30 June 2025, the Group's overall turnover remained stable, up 1.9% year-on-year to HK$3,055,327,000 (1H2024: HK$2,999,779,000), mainly attributable to the increased sales of OA equipment in Vietnam and server-related products in Southern China, plus the strong growth of domestic automobile sales in Chongqing and Wuhan. Operating profit increased by 6.1% year-on-year to HK$207,890,000 (1H2024: HK$195,982,000). Profit attributable to equity holders increased by 5.6% year-on-year to HK$134,928,000 (1H2024: HK$127,813,000). Basic earnings per share rose by 6.8% year-on-year to HK7.8 cents (1H2024: basic earnings per share of HK7.3 cents). The Group has been able to maintain stable turnover and improve profit mainly from implementing strategies to diversify its business and regional presence, as well as optimise internal management over the past decade or so. These initiatives included active destocking to lower wastage, managing supply chain, regulating suppliers, assessing potential risks of business partners, bargaining for better price with customers, exploring new markets, raising overall product value, and strengthening cooperation with long-term customers, all of which have helped the Group effectively tackle various risks.

During the period, the Group saw its overall gross profit margin widen slightly by 0.2 percentage points year-on-year to 20.3% (1H2024: 20.1%). The Group managed to maintain a relatively steady gross profit margin amid the economic and order instability, especially in the Weihai and Mexico plants, mainly due to the active cost reduction and efficiency improvement measures it has implemented starting a few years ago, including proactively reducing inventory backlog and bad debt risks, conducting internal reforms to implement lean production, thereby reducing hidden wastage, and streamlining to improve efficiency. These measures have laid a solid foundation for the Group to keep its gross margin strong and stable in the past few years. Moreover, the Group's industrial parks in Vietnam, Shiyan in Shenzhen, Chongqing and Wuhan recorded higher capacity utilisation rates, and having restructured its businesses to gradually reduce lower-margin products, plus efforts to optimise the structure of customer orders, the Group has boosted its internal competitiveness and maintained a steady gross margin level.

Furthermore, the Group has been implementing debt reduction policy starting two years ago to tackle challenges from the economic downturn and market uncertainties, its net debt-to-equity ratio has improved notably for two consecutive years. The policy has also supported the Group in lowering capital costs.

BUSINESS REVIEW

OA equipment

The Group has been developing its OA equipment business for more than three decades. With industry experience and excellent product quality, the Group has won unanimous praise and trust from customers, and our products have earned market favour.

While geopolitical tensions continued in the first half of 2025, the actual tariff disputes broke out in the second quarter, thus began to affect the Group's OA equipment business, causing a slight drop in sales in the first half year. The tariff influence is mainly on pushing up product prices and lowering order demand from end-users, and eventually requiring revision of customer sales order forecasts downward for the coming year. For the period, overall turnover of the OA equipment business decreased to HK$2,016,535,000 (1H2024: HK$ 2,056,701,000), 2.0% less than in the same period last year. In particular, the traditional OA equipment sales were down 6.0%, the main reason being the decline in sales of key market leading brands such as Fujifilm, Kyocera and Hewlett-Packard.

Since 2022, the Group has strategically laid out its ICT business, actively engaging in the high-end IT industry. During the first half of 2025, sales related to server components saw a significant year-on-year increase of 60.1%, mainly reflective of the substantial surge in sales to major customers such as a Chinese high-tech customer. During the period, the Group continued its in-depth involvement in multiple projects of the major strategic ICT customers and secured large orders. At the same time, it also stepped up efforts to acquire other new customers in China to lay a foundation for landing continuous orders, showing its strong capabilities in R&D and growing the server market. Furthermore, during the period, the Group adopted advanced production processes and automated equipment, and actively promoted lean production and cost-efficiency measures. This greatly improved production efficiency, lowered costs, and earned strong customer recognition. Leveraging the Group's core capabilities and resource advantages, the ICT-related business will steadily expand in scale and strength, becoming a key growth engine and core competitive advantage for the Group's future.

The Vietnam market has been affected by geopolitical factors. In 2025, traditional OA equipment business has been gradually shifting to the south, while typhoon hitting in September last year had delayed certain production to the current year, sales in Vietnam therefore rebounded by 15.8%, mainly from the increase in orders from Fujifilm and Kyocera. The Group has been expanding its industrial park in Vietnam to match the relocation of OA equipment orders to the south. However, with the business relocation in progress and the geopolitical issues, orders from Southern China are expected to continue to drop in coming years, and as it takes time for the Vietnam facilities to expand production capacity so as to accommodate more orders, thus, eventually the Group expects to have to go through an adjustment period, with production on general decline, during the shift of OA equipment business orders to the south. Yet, the management believes that will only be temporary. Vietnam's manufacturing industry experienced short-term disruption from US tariff policies, however, production volume and business confidence have apparently rebounded in recent months. Expecting the manufacturing sector in Southeast Asia still having strong appeal, the Group sees output capacities of its industrial park in Hai Phong, Vietnam and its temporarily leased factories in surrounding areas to be in high demand. To meet customer needs, the Group commenced construction of a new industrial park on a newly acquired leasehold land in Quang Ninh Province, Vietnam in 2024. The new industrial park will span approximately 60,000 square meters, 1.6 times the space in the existing Haiphong industrial park, and is expected to be completed and in operation in early 2026, helping raise the Group's overall production capacity markedly. The Group will adjust the completion schedule of the new industrial park regularly with the development plans of and orders from customers taken into account. The Group believes the shift of orders to the south will help consolidate the competitiveness of its business, allowing it to take advantage of the low costs, policy incentives of Vietnam and her proximity to China to grow its OA equipment business. The Group is optimistic about the prospect of its business in Vietnam in the next few years.

In Shenzhen, prompted by intensifying geopolitical issues, leading Japanese customers, such as Fujifilm and Kyocera, has moved their orders to Southeast Asia. However, the impact of that shift was partially offset by the modest growth in local products, and turnover increased by 1.9%. In Suzhou, with Canon and Ricoh continuing to relocate orders to the south, turnover was roughly the same as in the same period last year, only up slightly by 0.5%. Given that Southern China region, impacted by the tariff issue, has accelerated the shift of orders to the south, the Group will actively strengthen its strategic partnership with customers to cope with market changes. Moreover, it will thoroughly evaluate and drive the expansion of Southeast Asia markets, taking full advantage of the production strengths and matching resources in the region to better serve key strategic customers. Through these measures, the Group hopes to improve its overall competitiveness and responsiveness to the market while securing more orders, so as to lay a solid foundation for future development.

The Group's industrial parks in Weihai continue to serve as the primary centres for the OA equipment business to manage domestic sales orders. The business is operated by the EVA Weihai (Double Islands Bay) Electronic Industrial Park ("Weihai (Double Islands Bay)") and EVA Weihai (Intops) Electronic Industrial Park ("Weihai (Intops)"). Since 2024, the overall sales of Weihai have shown continual decline, mainly due to domestic economic downturn causing macroeconomic changes, impacting the OA equipment business in China, as well as the changes in consumption patterns and habits of Chinese consumers. Among modern users, the mid-range-to-low-end office and home printers seem to be more popular, and since such high-end Japanese OA equipment customers have been gradually reducing their production scale in China, thus affecting the Group's overall operation in Weihai. During the period, overall sales in Weihai dropped significantly by 40.0% year-on-year. Therefore, the Group signed a sale and purchase agreement with Weihai Gaoxin Innovation Park Operation Management Co., Ltd in July 2025 to sell the land parcel and factory premises at Weihai (Intops). The Group plans to consolidate the current business operations of Weihai (Intops) with its industrial park in Weihai (Double Islands Bay) to optimise and streamline resource allocation, and improve overall manufacturing, production and operational efficiency, which is in line with its long-term strategic focus. The move will not only help centralise management and enhance synergies, but also help lower operating costs and improve the Group's market competitiveness. Furthermore, with the land parcel and related properties sold at reasonable prices, the Group has realised the value of its assets to help improve cash flow and financial support for future development.

During the period, the segment recorded profit of HK$138,962,000 (1H2024: HK$164,533,000) with segmental profit margin at 6.8% The decline in segment profit was mainly due to an overall drop in OA equipment orders, especially at the industrial park at Double Islands Bay, Weihai, where post-expansion market conditions caused a sharp order decrease and capacity utilisation decline. However, previously deployed equipment, personnel and other resources resulted in unavoidable fixed costs. Meanwhile, the expansion of the new industrial park in Quang Ninh Province, Vietnam, also generated some pre-operating expenses, collectively affecting the segment's profit. However, during the period, the Group continued to focus on strengthening inventory management, reducing low-margin products, improving order quality, and streamlining its structure, partly offsetting the impact caused by the decline in orders. Looking ahead, the Group will continue to keep its OA equipment business stable, develop more practical products based on market demand, thereby expand room for development.

Automotive components

In the first half of 2025, with the US proposing global tariff measures that would raise trade barriers, the global automotive industry faced higher manufacturing and sales costs challenge. That also created uncertainties along the global supply chain, pushing up operational expenses, thus placed substantial pressure on the profitability of the industry. Coupled with fierce competition and the fragmented supplier base worldwide, the business environment became even more challenging. However, focusing on innovation and scale, the automotive components business has shown strong resilience during such testing times, and achieved double-digit revenue growth again since it began business. The progress is the result of the Group's strategic focus in recent years on emerging technologies like new energy vehicle ("NEV") and autonomous driving, which have spurred a surge in demand for various components, with such new emphases as automotive lightweighting, batteries, and electronic control. By exploring opportunities in the NEV market, increasing relevant R&D investment, timely and flexibly adjusting its business plans, and optimising strategic deployment, the Group saw growth in both revenue and profit from its automotive components business. During the period, the segment performed well. At the hard work of its sales and production teams, turnover of the business increased by 10.1% year-on-year to HK$1,038,792,000 (1H2024: HK$943,078,000). In the latest two years, the Group has actively promoted technology R&D and market expansion in the new energy field. As the strategic customer base of NEVs gradually grows, the segment has also been able to secure more new orders on hand. Production for many of them has gradually begun in 2024, allowing the steady release of production capacity of the industrial parks in Wuhan, Chongqing and Mexico, and the segment to record double-digit growth in turnover.

Benefiting still from the strong sales momentum built up in 2024, the Wuhan industrial park continued to deliver brilliant results in the first half of 2025, with sales climbing 32.4% against the same period last year, thanks mainly to the steady increase in the production scale of the Great Wall Motors project and the achievements in phase made in developing new markets. During the period, the industrial park landed orders for moulds, seat frames, chassis and other components from NEV customers at home and abroad, including Changan Automobile, Nobo Automotive, Stellantis and Tesla, and also brought new business sources and growth momentum to the Group's domestic and overseas automotive components production bases. As the Group's technology development and management & control centre, the Wuhan Industrial Park performs key tasks including providing technical support, mould development and product R&D for those new projects. To cater to global export demands for regions including Europe, the United States and the Middle East, the industrial parks in Wuhan and Mexico collaborate, with the former responsible for technical solutions and development, and exports to regions except North America, while the latter focuses on mass production orders from North America, working together to develop orders from the global market. Going forward, the Wuhan Industrial Park will continue to step up internal mechanism reforms, actively introduce and apply cutting-edge technologies, and accelerate product upgrades to consolidate its position in the high-end market. To date, other than having strengthened its technical reserves for welding assembly in such as automobile seat and chassis, the industrial park has also been actively recruiting various talent in order to help it secure more high-quality orders and drive sustainable growth in the future.

The industrial park in Shenzhen, although small in land area, is the Group's central production base for automobile seat moulds, which are primarily exported to the US and European markets. To mitigate operational risks from relying on the US and European markets, it also develops the domestic and Japanese markets. During the period, turnover of the automotive component business in Shenzhen increased by 23.9%, braced mainly by the increase in mould orders for export to Europe. During the period, the Group continued to actively invest in and roll out its market expansion strategy to increase its presence in overseas markets. Among the new orders on hand now, there are those for Adient's mould and component project in Japan, marking a business breakthrough in the Japanese automotive components market. That not only speaks clearly to the quality of the Group's seat frame mould products and R&D capabilities recognised by world-leading automotive seat suppliers, but has also opened a new business growth channel for the Group. With the cooperation between the Group and Japanese brand customers diving deeper, the new batch of orders are expected to give the Group momentum to achieve rapid growth in the next five years, helping consolidate its competitive advantage in the global automotive components industry chain.

In the first half of 2025, the Group's automotive component business in Chongqing was in a new rapid growth phase, demonstrating strong development momentum. During the period, turnover of the operation increased by 31.2% year-on-year. The Chongqing Industrial Park has actively introduced advanced smart production equipment from around the world to significantly improve automation and efficiency. At the same time, it provides customers in the Chinese southwestern market with ancillary services including simultaneous design and engineering of auto body parts and supply of functional components of and assembly for auto body. In Chongqing, the Group further strengthened strategic partnerships with high-quality domestic automakers like Great Wall Motors and Changan Automobile, broadening cooperation areas and project reach. This successfully boosted technical collaboration and production-sales coordination, accelerating the Group's business goals for Chongqing and the southwestern region of China. In 2025, the Group was deeply involved in developing several popular car model projects such as Changan Deepal and Avatr in Chongqing. These models saw sales performance climbing in 2025 and are expected to sustain growth and mark a new milestone for turnover from the Chongqing industrial park.

In Zhongshan, weighed down by geopolitical risks, production of Japanese brand vehicles in China declined markedly in the past two years. Sales of especially Honda, Toyota and Nissan have been sluggish, hence correspondingly turnover from Southern China also shrank for the Japanese customers of the Group in Zhongshan, including Aisin, Yachiyo and Faurecia. Responding to changes in the industry landscape, the Group promptly adjusted its development strategy in Zhongshan, shifting focus from Japanese automotive customers to investing more resources and efforts in the NEV field, emphasising in particular development of products related to the new "three-electric" (battery, motor and electronic control) system. In addition to actively pursuing in-depth cooperation with a core customer in an in-vehicle electronics project, the Group vigorously expanded its customer base, optimised product structure, and strived to diversify its customer and business portfolio, so as to reduce the operational risks from relying on single market for the Zhongshan Industrial Park. During the period, turnover from Zhongshan fell slightly by 3.8%, with decline in the traditional business offset by the new "three electric" system business. Meanwhile, the Group continued to implement measures to reduce costs and increase efficiency in Zhongshan to enhance the Group's competitiveness in the industry.

In Mexico, the Group adjusted its order strategy in the first half of 2025, and turnover decreased by 5.6% year-on-year. Since existing customer orders exceeded production capacity, and the margins of some projects were contracted, in order to maintain efficiency and support long-term growth, the Group actively optimised its project structure to free up production capacity for high-value orders, improving operational quality and profitability. In 2025, benefited from the Wuhan Industrial Park's core technology and resource support, the Group has begun to consolidate and strengthen the management capabilities and operational synergy of the Mexican team. In the second half of 2025, the Group's efforts in Mexico will focus on cost reduction and efficiency enhancement. By optimising processes, management and quality control, the Group aim to improving overall product quality and profitability. At the same time, the new 630T press the Group bought for in Mexico in 2025 will begin operation in the second half year, which will see the production capacity there expand to better respond to the growing and diverse order demands from customers in Mexico.

During the period, the utilisation rates of the Group's industrial parks in Wuhan and Chongqing notably improved. At the same time, by gradually cutting low-margin products for existing customers to raise overall product value, the quality of customer orders continued to improve. As a result, overall segment profit of the automotive component business markedly increased. In the first half of 2025, the business made profit of HK$85,406,000 (1H2024:HK$51,806,000) with segmental profit margin at 7.8%.

PROSPECTS

Entering the second half year, the global political and economic environment will still be full of uncertainties. The ongoing geopolitical turbulence and persistent tensions among countries will obstruct international cooperation and trade. The US kicking off implementing tariff policies has made international trade environment more complicated and increased the risks and costs of business operations. On the other hand, with major economies entering the interest rate cut cycle, investment and consumer sentiment will likely be stimulated, but then that will trigger concerns over inflation risks as well, subsequently presenting double pressure on economic recovery. With different regions rolling out tax reforms and strategies to reallocate global capital flows and investment, business deployment and decisions of the Group as a multinational enterprise has been affected. In addition, the increasing frequency of extreme weather events has brought uncertainties to the production supply chain and economic activities, adding to market volatility and risks. While ridden with uncertainties, the challenging investment environment is also simmering with new development opportunities, requiring the Group to stay vigilant and flexible.

In recent years, the global laser printer market has continued to grow steadily. The Group believes the order decline caused by tariff policy adjustments is temporary, that overall development of the sector remains resilient. In the laser printer market, mainstream international brands such as HP, Canon, and Fujifilm have claimed dominance for a long time, with advanced technologies and strong product lineups, helping them strengthen relationship with key clients in the corporate, education, healthcare, government and financial sectors. However, in recent years, as the Chinese economy thrives and can rely more and more on her own industrial chain, plus some domestic brands such as Lenovo, Pantum, and Zhixiang actively investing in independent R&D to meet demand for value-for-money products in the local market, the market share of domestic models has significantly increased. According to survey data of IDC and other third-party organisations, the market share of domestic brand laser printers in China has increased from 16% in 2010 to 42% in 2025, reflecting the rapid rise and increasing penetration of those brands in the domestic consumption market.

Although the paperless office trend in recent years has prompted digitalization of certain applications, affecting the demand for low-end and general-purpose laser printers, high-end and multi-functional laser products with advantages including operating at high speed, low cost, being energy efficient, eco-friendly, and high printing quality have continued to gather strong growth momentum in the enterprise market. Especially in the public sector, financial industry, logistics and healthcare sectors, there are still massive rigid demand for printing of receipts, statements, and documents, which cannot be completely replaced by digital solutions, which explains the stable shipments and market shares of major brands in those fields.

At the same time, the Chinese market has shown great growth potential. As the economy transforms and consumption patterns change in the country, public institutions and small and medium enterprises are purchasing large numbers of China-made equipment. With domestic brands having cost and supply chain advantages, the laser printers they made have gradually become mainstream choices in China. That has not only reduced the dependence of enterprises on imported equipment, but has also helped Chinese brands actively deploy in emerging markets such as Southeast Asia, South America and the Middle East. In addition, with the Chinese market valuing such innovative directions as cloud management, mobile applications, and ecosystem services, local brands have been expanding their product lines, boosting customer stickiness and brand value, transitioning from traditional business models to effectively enhance competitiveness.

Holding a leading share in the OA equipment market, the Group, heeding the rise of domestic printer brands and the country promoting self-sufficiency of her IT application and innovation industry, has rapidly adjusted its strategy pinpointing the Chinese market. It is now working closely with domestic chip manufacturers and related ecosystem enterprises to jointly develop and launch printer products for independent Chinese brands. On top of meeting the diverse needs of local brands and the printing market in Mainland China, the move is also conducive to enhancing the overall level of self-sufficiency and control of the industry chain, driving the in depth integration of the Group's products and technologies with the local industry and fortifying its market leadership.

Facing international tariff pressures and geopolitical uncertainties, the Group will speed up deployment of production capacity overseas, actively increase production capacity in Vietnam, and has plan for the new industrial park in Quang Ninh, Vietnam to start operation early next year. The move, in addition to allowing the Group to effectively disperse regional risks, will also equip it for responding quickly to the growing demand for high-value products in major markets worldwide. At the same time, the Group is actively reviewing the scale of production capacity in Southeast Asia and expects there will be opportunities in the future to explore setting up factories and adding production lines in other Southeast Asian countries, to build a more flexible global supply chain, strengthen its competitiveness and risk resistance.

In the automotive sector, according to third-party organization forecasts, global light vehicle sales will only grow by approximately 1.7% in 2025. With the overall auto market slowing down, the performance of markets in Europe and the United States are lacking lustre, Asia (particularly China) has continued to be the market growth driver. As the global automotive industry faced multiple pressures from such as tariffs, high costs, and the transition to NEVs less than desirable, enterprises have to direct their resources to cope, in particular, focusing on developing traditional fuel vehicles and NEVs at the same time.

Electrification, going intelligent and overseas markets have become the driving forces of rapid growth of China's auto industry, seeing it into a new stage of development. Looking at the second half year, policies such as trade-in and promotion of NEVs in rural areas will continue to stimulate the domestic NEV market. NEVs are clearly gaining dominance in the automotive market, commanding enterprises to continuously improve their products, technologies, and quality. Facing profound changes in the international and domestic environment, the Group has strived for innovative breakthroughs and to improve its capabilities, strengthening its core technological strengths. At its continuous investment in innovation including smart manufacturing, green technology and advanced materials, and training high-tech talent and professional teams, the Group expects its automotive component segment to maintain stronger growth momentum in the second half year. That will not only show the Group enjoying high market recognition for its products and services, but also its strengths in maintaining stable operations and its leadership in the complex and volatile industrial environment.

With the advent of the AI and big data era, global demand for data centres has grown notably, and that has in turn fuelled the demand for high-performance, highly reliable and high-quality servers and equipment. Such servers and relevant equipment supporting storage and processing of massive data, are not only part of the core infrastructure for digital transformation, but are also irreplaceable in enabling intelligent operation and innovative applications of enterprises. Hence, the demand for high-quality servers will continue to rise steadily in the future and become an important growth driver in information technology field. That considered, the Group will develop ICT business to meet changing market demand with the support of its global production layout and strong R&D team. Looking ahead, development of the ICT business will become an important growth engine for the Group, likely to allow it to reverse the outflow of OA equipment orders from Southern China, as well as offset the decline in export of automotive components and moulds, and the sluggish Japanese automotive business, bringing to it new vitality and business opportunities.

The Group aims to continue to grow in greater depth its two core businesses: namely the OA equipment and the automotive components, while pursuing diversified industrial upgrades, including developing the ICT business to combat unpredictable market risks. In the future, the Group will continue to seek guidance from technological innovation, actively embrace changes, seize new development opportunities to promote high-quality and sustainable development of its businesses.

FINANCIAL REVIEW

An analysis of the Group's turnover and results by segment is as follows:

	Six months ended 30 June			
	2025		2024	
	HK$'000		*HK$'000*	
By business segment				
Turnover				
Office automation equipment division				
Design and fabrication of moulds	**75,751**	**2.5%**	89,396	3.0%
Manufacturing of components	**1,922,167**	**62.9%**	1,948,156	64.9%
Others *(Note 1)*	**18,617**	**0.6%**	19,149	0.6%
	2,016,535	**66.0%**	2,056,701	68.5%
Automotive component division				
Design and fabrication of moulds	**60,837**	**2.0%**	67,770	2.3%
Manufacturing of components	**931,550**	**30.5%**	829,695	27.7%
Others *(Note 1)*	**46,405**	**1.5%**	45,613	1.5%
	1,038,792	**34.0%**	943,078	31.5%
Total	**3,055,327**		2,999,779	
Segment results				
Office automation equipment division	**138,962**		164,533	
Automotive component division	**85,406**		51,806	
Operating profit	**224,368**		216,339	
Unallocated expenses	**(16,478)**		(27,557)	
Finance income	**15,207**		17,071	
Finance costs	**(57,477)**		(64,582)	
Share of profits/(losses) of associates	**257**		(220)	
Income tax expense	**(30,949)**		(13,238)	
Profit attributable to equity holders of the Company	**134,928**		127,813	

Note 1: Others mainly represented sales of scrap materials.

Turnover

During the period, the Group's turnover increased slightly by 1.9% to HK$3,055,327,000, which was primarily contributed by the increased order momentum in the Group's office automation equipment business in Vietnam and the automotive component business in Chongqing and Wuhan, as well as the rise in Internet server related sales in southern China, as a result of the Group's continuous efforts in strengthening relationships with existing customers and developing new customer orders in spite of challenging external market conditions.

Gross profit

During the period, gross profit margin improved to 20.3% (1H2024: 20.1%), which was mainly driven by higher capacity utilisation in our production plants in Vietnam, Chongqing and Wuhan, offsetting the decline in the capacity utilisation in Weihai, Zhongshan and Mexico. Furthermore, the increase in gross profit margin was also caused by strengthened internal management and enhanced operational efficiency.

Segment results

During the period, the Group's office automation equipment business recorded a decrease in segmental profit margin to 6.8%. It was mainly due to a drop in office automation equipment orders in Weihai caused by unfavourable market conditions, resulting in capacity utilisation decline. However, equipment, personnel and other resources deployed previously has led to unavoidable fixed costs. Meanwhile, the expansion of the new industrial park in Quang Ninh Province, Vietnam, also generated certain pre-operating expenses. These collectively affected the segment's profit.

The operating profit margin of the Group's automotive component segment significantly increased to 7.8%, as the capacity utilisation rates of the Group's industrial parks in Wuhan and Chongqing greatly improved as a result of increase in sales momentum and boosted production scale of major projects for the segment's major domestic customers during the period.

Unallocated expenses

During the period, unallocated expenses mainly represent corporate expenses of HK$16,478,000 (1H2024: HK$20,357,000). There was no impairment loss for investment in an associate (1H2024: HK$7,200,000) during the six months ended 30 June 2025.

Finance income and costs

For the six months ended 30 June 2025, as the outstanding bank borrowing balances were reduced and market interest rates dropped, the Group recorded a decrease in finance costs accordingly. The finance income also decreased as a result of decreased market interest rates.

Share of profits/(losses) of associates

Share of profits of associates represents the Group's share of 40% of the profit of the micro lending business through equity pick-up.

Income tax expense

Income tax expense for the six months ended 30 June 2025 mainly represents current income tax charge amounting to HK$17,123,000 arising from the PRC corporate income tax and HK$13,802,000 arising from overseas corporate income tax netted off by (i) under-provision in prior years amounting to HK$497,000 and (ii) deferred income tax credit of HK$473,000.

Profit attributable to equity holders of the Company

During the period, the Group recorded profit attributable to equity holders of the Company amounting to HK$134,928,000 (1H2024: HK$127,813,000), which was primarily caused by the increase in operating profit as mentioned above.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2025, the Group recorded similar cash generated from operating activities amounting to HK$277,032,000 (1H2024: HK$275,602,000), which was driven by higher earnings before interest, taxes and depreciation, due to increase in overall operating results as explained above and reduced interest paid to banks as a result of market rate drop, partly offset by increased working capital requirements. During the period, the Group's capital expenditure increased to HK$185,831,000 as the Group has commenced construction of the new industrial park in Quang Ninh Province in Vietnam in order to meet customer needs. Therefore, the Group recorded net cash used in investing activities amounting to HK$179,055,000 (1H2024: HK$160,956,000). The Group recorded a net decrease in bank borrowings of HK$36,263,000 and lease payments of HK$12,231,000 during the period. After payment of dividends amounting to HK$34,608,000 and repurchase of shares totalling HK$7,965,000, the Group recorded net cash used in financing activities of HK$91,067,000 during the period (1H2024: HK$94,514,000).

Treasury policy

The Group adopts a prudent treasury policy. Treasury activities are controlled by senior management members with an objective of achieving a balance between the Group's expansion needs and its financial stability. An adequate level of cash resources is maintained by each of the Group's subsidiaries, and the Group also has sufficient stand-by credit lines to provide adequate liquid funds to finance its business activities. Due consideration is given for the cost of borrowings. We also consider impacts of interest rates fluctuation on our operations and financial condition, and take appropriate and timely measures accordingly. In addition, as a majority of the Group's sales are made in Hong Kong dollars and United States dollars (which are pegged), majority of the Group's borrowings as at 30 June 2025 were denominated in Hong Kong dollars and United States dollars to match repayment currency with the Group's major source of operating cash inflows. Looking ahead, the Group will adhere to conservative financial management policies and remain committed to maintaining a healthy balance sheet.

KEY FINANCIAL PERFORMANCE INDICATORS

(a) Liquidity and capital adequacy ratios

	30 June 2025	31 December 2024
Inventory turnover days *(Notes 1 and 5)*	**48**	48
Debtors' turnover days *(Notes 2 and 5)*	**106**	104
Creditors' turnover days *(Notes 3 and 5)*	**109**	112
Cash conversion cycle *(Notes 4 and 5)*	**45**	40
Current ratio *(Notes 6 and 8)*	**1.50**	1.53
Net debt-to-equity ratio *(Notes 7 and 8)*	**13.2%**	15.0%

(b) Profitability ratios

	30 June 2025	30 June 2024
Net profit margin *(Notes 9 and 11)*	**4.4%**	4.3%
Return on shareholders' equity *(Notes 10 and 11)*	**4.1%**	4.1%

Notes:

1. Calculation of inventory turnover days is based on the ending inventories divided by cost of sales and multiplied by the number of days during the period.

2. Calculation of debtors' turnover days is based on the ending balance of trade receivables divided by turnover and multiplied by the number of days during the period.

3. Calculation of creditors' turnover days is based on the ending balance of trade payables divided by cost of sales and multiplied by the number of days during the period.

4. Cash conversion cycle is defined as the total sum of inventory and debtors' turnover days less creditors' turnover days.

5. These ratios have a significant impact on the ability of the Group to generate cash flows from its operations. Therefore, they are selected as key financial performance indicators.

6. Current ratio is calculated based on the Group's total current assets divided by total current liabilities.

7. 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 amounting to HK$74,251,000 as at 30 June 2025 (as at 31 December 2024: HK$83,755,000). These rentals have not yet been expensed, but are deemed as lease liabilities under the Hong Kong Financial Reporting Standard 16 "Leases". The ownership of the related factory and office premises is not held by the Group.

8. These ratios reflect the Group's financial stability and its ability to pay its debts as they fall due. Therefore, they are selected as key financial performance indicators.

9. Net profit margin is based on profit attributable to equity holders of the Company divided by turnover.

10. Return on shareholders' equity is based on profit attributable to equity holders of the Company divided by shareholders' equity.

11. These ratios reflect the Group's ability to generate returns from its business, and the returns obtainable by shareholders from their investments in the Group. Therefore, they are selected as key financial performance indicators. Ratios for the six months ended 30 June 2024 and 2025 were calculated using the half-year profit of the Group for the respective periods.

Inventory turnover days

As the Group's overall production and shipments to customers remained relatively stable as compared to 2024, the Group's inventory turnover days was unchanged for the first half of 2025.

Debtors' and creditors' turnover days

For the six months ended 30 June 2025, the Group's debtors' turnover days were lengthened slightly by 2 days as the portion of sales with longer credit periods increased during the second quarter which remained unpaid as at 30 June 2025 and were still within normal credit periods. Creditors' turnover days were shortened by 3 days as a higher percentage of the Group's purchases were made from suppliers with shorter credit periods during the period.

Cash conversion cycle

The increase in cash conversion cycle in the first half of 2025 was mainly caused by the increase in debtors' turnover days as well as the decrease in creditors' turnover days as mentioned above.

Current ratio and net debt-to-equity ratio

The Group's current ratio is similar to that of 31 December 2024. With a decrease in overall bank borrowing level and strong operating cash flows during the period, the Group's resulted net debt is smaller and with a continuous rise in shareholders' equity, the net debt-to-equity ratio further dropped from 15.0% to 13.2%.

Net profit margin and return on shareholders' equity

The increase in net profit margin during the period as compared to the first half of 2024 was caused by the increase in profit attributable to equity holders of the Company, as explained in the section headed "Financial Review" above. The return on shareholders' equity during the period remained constant as compared to the first half of 2024.

FOREIGN CURRENCY EXPOSURE

For the six months ended 30 June 2025, the Group's sales and raw material purchases were denominated in the following currencies:

	Sales	**Purchases**
Hong Kong dollars	14.5%	1.4%
US dollars	48.6%	53.1%
Renminbi	35.4%	44.8%
Other currencies	1.5%	0.7%

A majority of the Group's customers and suppliers in China, Vietnam and Mexico are reputable international companies which use United States dollars (USD) as settlement currency. Accordingly, approximately 63.1% of the Group's sales and 54.5% of its raw material purchases were made in USD and Hong Kong dollars (HKD) (which are pegged to USD) during the period. The Group also has a policy of using Renminbi to settle the purchases of raw materials used for Renminbi denominated sales. Sales and raw material purchases denominated in currencies other than USD, HKD and Renminbi were mainly related to initial trial orders with new customers and suppliers, and therefore their percentages to our total turnover and purchases were small. Should these sales and raw material purchases increase in the future, we will take appropriate actions to safeguard ourselves from any potential exchange rate risk that may arise from dealing in other currencies. Further, it is the Group's policy to strictly prohibit any speculative foreign exchange transaction which is not related to business operations.

At present, although the Group endeavours to transact sales and raw material purchases in matching currencies, the percentage of the Group's raw material purchases in Renminbi is still larger than the percentage of its sales in Renminbi due to the Group's substantial production operations in China. However, management is of the view that the exchange rate risk is not high because Renminbi is used to settle the purchase of raw materials used for Renminbi denominated sales and the portion of Renminbi purchase that is not naturally hedged is not large. Going forward, management will continue to evaluate the Group's foreign currency exposure on a continuing basis and takes actions to minimise the Group's exposure whenever necessary.

HUMAN RESOURCES

The total number of the Group's employees was 10,163 as at 30 June 2025. The Group considers its employees, in particular, the skilled engineers and production management members, as its core assets since the Group's future success relies on the strengthening of its product quality and management on a continuing basis. Remuneration policy is reviewed regularly, making reference to the prevailing legal framework, market conditions and performance of the Group and individual staff. Share option schemes were adopted to attract and retain talents to contribute to the Group. However, apart from providing attractive remuneration packages, management believes that the creation of a harmonious working environment suitable for the development of employees' potentials is also important for attracting and retaining qualified staff for its future success. Training programmes are offered to employees for their continuous development. Besides, various employee activities were organised to inspire the team spirit of the Group's staff, which included the organisation of company outings and sport activities in which the Group's employees, top management (including executive directors) and customers participated. Substantial resources were also devoted to improve the factory and dormitory environment of the Group with a view to providing an attractive working and living environment for the Group's employees.

As at 30 June 2025, the average length of services of the Group's employees below and above manager grade was 3.3 years and 8.3 years respectively.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2025, there was no charge on the Group's assets.

PURCHASES, SALE AND REDEMPTION OF THE SHARES

During the six months ended 30 June 2025, the Company repurchased its 10,482,000 listed shares on The Stock Exchange of Hong Kong Limited. These shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. Details of the repurchases during the period ended 30 June 2025 are summarised as follows.

Months of repurchase	Number of shares repurchased	Highest price per share	Lowest price per share	Total consideration paid
		HK$	*HK$*	*HK$'000*
April 2025	10,482,000	0.80	0.69	7,965

The directors considered that the repurchases were made for the benefit of the shareholders as a whole as they uplifted the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2025.

CHANGE OF DIRECTOR'S INFORMATION

During the six months ended 30 June 2025 and up to the date of this announcement, Mr. Zhang Jian Hua resigned as an executive director of the Company and the vice chairman of the board of directors of the Company on 27 August 2025.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands where the Company is incorporated.

DIVIDEND

The Board declared an interim dividend of HK 2.33 cents per ordinary share, totaling HK$40,319,000 for the six months ended 30 June 2025 to eligible shareholders whose names appear on the register of members of the Company on Thursday, 18 September 2025. The interim dividend will be payable in cash on Monday, 29 September 2025.

CLOSURE OF REGISTER OF MEMBERS

To determine eligibility for the interim dividend, the register of members of the Company will be closed from Tuesday, 16 September 2025 to Thursday, 18 September 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 September 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Having made specific enquiry of all directors, the Company reported that all directors had complied with the required standards set out in the Model Code during the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company and the directors confirm, to the best of their knowledge, that the Company has complied with the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2025.

AUDIT COMMITTEE

The Company has set up an audit committee, in accordance with the requirements of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules, for the purpose of reviewing the financial reporting process, risk management, internal control system and corporate governance matters of the Group. The audit committee comprises the three independent non-executive directors, namely, Ms. Ling Kit Sum, Mr. Lam Hiu Lo and Dr. Chai Ngai Chiu Sunny, with Ms. Ling Kit Sum as the chairman. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control, corporate governance and financial reporting matters with management including a review of the unaudited interim financial statements and the interim report for the six months ended 30 June 2025.

By order of the Board
Zhang Hwo Jie
Chairman

Hong Kong, 27 August 2025

As at the date of this announcement, the Board comprises three executive directors, being Mr. Zhang Hwo Jie (Chairman), Mr. Zhang Yaohua (Chief Executive) and Ms. Zhang Yan Yi and three independent non-executive directors, being Mr. Lam Hiu Lo, Dr. Chai Ngai Chiu Sunny and Ms. Ling Kit Sum.