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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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL RESULTS

The Board of Directors of EVA Precision Industrial Holdings Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	4	6,027,820	6,296,926
Cost of sales	5	<u>(4,681,242)</u>	<u>(4,921,294)</u>
Gross profit		1,346,578	1,375,632
Other income		39,001	42,206
Other losses – net		(708)	(27,333)
Selling and marketing costs	5	(297,394)	(318,983)
General and administrative expenses	5	(723,715)	(692,696)
Impairment loss on property, plant and equipment		<u>–</u>	<u>(6,137)</u>
Operating profit		363,762	372,689
Finance income	6	26,161	32,429
Finance costs	6	(100,629)	(121,139)
Share of profit/(loss) of associates		<u>2,404</u>	<u>(7,593)</u>
Profit before income tax		291,698	276,386
Income tax expense	7	<u>(47,071)</u>	<u>(32,879)</u>
Profit for the year		244,627	243,507
Other comprehensive income/(loss) for the year, net of tax			
Item that may be reclassified to profit or loss			
– Currency translation differences		37,019	(34,582)
Item that will not be reclassified to profit or loss			
– Revaluation (loss)/gain on financial assets at fair value through other comprehensive income		<u>(5,902)</u>	<u>8,190</u>
Total comprehensive income for the year		<u>275,744</u>	<u>217,115</u>

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year attributable to equity holders of the Company		<u>244,627</u>	<u>243,507</u>
Total comprehensive income for the year attributable to equity holders of the Company		<u>275,744</u>	<u>217,115</u>
Earnings per share for profit attributable to equity holders of the Company during the year (expressed in HK cents per share)			
– basic	8	<u>14.1</u>	<u>14.0</u>
– diluted	8	<u>14.1</u>	<u>14.0</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		2,925,341	2,680,862
Right-of-use assets		336,202	334,567
Intangible assets		2,799	3,088
Investments in associates		25,017	21,051
Prepayments, deposits and other receivables		25,503	103,685
Financial assets at fair value through other comprehensive income		9,230	15,132
Deferred income tax assets		4,459	4,271
		<u>3,328,551</u>	<u>3,162,656</u>
Current assets			
Inventories		800,285	639,885
Trade and bills receivables	<i>10</i>	1,764,663	1,794,336
Prepayments, deposits and other receivables		93,597	65,339
Restricted bank deposits		96,348	73,534
Cash and cash equivalents		1,597,431	1,738,949
Asset classified as held for sale		18,850	–
		<u>4,371,174</u>	<u>4,312,043</u>
LIABILITIES			
Current liabilities			
Trade payables	<i>11</i>	1,530,832	1,509,715
Contract liabilities		166,182	132,241
Accruals and other payables		340,297	271,245
Bank borrowings		1,112,425	847,599
Lease liabilities		27,791	20,741
Current income tax liabilities		43,222	30,097
Liability classified as held for sale		2,344	–
		<u>3,223,093</u>	<u>2,811,638</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net current assets		<u>1,148,081</u>	<u>1,500,405</u>
Total assets less current liabilities		<u>4,476,632</u>	<u>4,663,061</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings		1,051,387	1,436,900
Lease liabilities		72,456	63,014
Deferred income tax liabilities		<u>18,016</u>	<u>21,226</u>
		<u>1,141,859</u>	<u>1,521,140</u>
Net assets		<u>3,334,773</u>	<u>3,141,921</u>
EQUITY			
Capital and reserves			
Share capital		173,044	174,092
Reserves		<u>3,161,729</u>	<u>2,967,829</u>
Total equity		<u>3,334,773</u>	<u>3,141,921</u>

Note:

1. BASIS OF PRESENTATION

The Company is an investment holding company. 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 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 consolidated financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and the disclosure requirements of the Hong Kong Company Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income ("FVOCI") which are carried at fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2. ACCOUNTING POLICIES

(a) Interpretation and amendments to existing standards adopted by the Group

The following interpretation and amendments to existing standards are mandatory for the first time for the financial year beginning 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The adoption of these interpretation and amendments to existing standards did not result in any substantial change to the Group's accounting policies. The interpretation and amendments to existing standards listed above had no material impact on the consolidated financial statements.

The Group has not applied any interpretation and amendments to existing standards that is not yet effective for the current accounting period.

(b) New standards, amendments to existing standards and interpretation that have been issued and are relevant to the Group but not effective for the financial year beginning 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	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
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	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

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the related amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated income statement and disclosures in the future consolidated financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

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 currently organised into three main business segments, namely, (i) Office automation equipment, (ii) Automotive components and (iii) Information and communication technology ("ICT"). The Group has strategically laid out its ICT business, having actively engaged in the high-end IT industry in earlier years. With the continuous growth of the ICT business, management has reassessed the Group's segment reporting structure. As a result, a new reportable operating segment has been identified for financial reporting purposes, as the allocation of resources, performance assessment and management decision-making for the segment are conducted separately.

The change in the Group's reportable operating segments for the year ended 31 December 2024 has been applied retrospectively. Accordingly, the comparative presentation has been restated to align with the new reporting structure, as reviewed by the Group's chief operating decision maker.

Also, investments in associates and financial assets at FVOCI are reported as un-allocated assets as at 31 December 2025 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 segment 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 consolidated financial statements.

The segment results and other segment items are as follows:

	2025					2024				
	Office automation equipment HK\$'000	Automotive components HK\$'000	Information and communication technology HK\$'000	Inter-segment elimination HK\$'000	Total HK\$'000	Office automation equipment HK\$'000	Automotive components HK\$'000	Information and communication technology HK\$'000	Inter-segment elimination HK\$'000	Total HK\$'000
Sales to external customers	3,502,370	2,136,203	389,247	-	6,027,820	4,089,989	1,948,342	258,595	-	6,296,926
Inter-segment sales	8,829	141,428	21,145	(171,402)	-	12,786	89,353	9,186	(111,325)	-
Total	3,511,199	2,277,631	410,392	(171,402)	6,027,820	4,102,775	2,037,695	267,781	(111,325)	6,296,926
Segment results	254,982	135,260	21,095		411,337	307,392	93,851	21,863		423,106
Unallocated expenses					(47,575)					(50,417)
Finance income					26,161					32,429
Finance costs					(100,629)					(121,139)
Share of profit/(loss) of associates					2,404					(7,593)
Profit before income tax					291,698					276,386
Income tax expense					(47,071)					(32,879)
Profit for the year					244,627					243,507
Depreciation	134,360	199,717	13,936	-	348,013	125,414	174,295	4,108	-	303,817
Amortisation	289	-	-	-	289	967	-	-	-	967

For the years ended 31 December 2024 and 2025, unallocated expenses represent corporate expenses.

The segment assets, liabilities and capital expenditure are as follows:

	2025					2024				
	Office automation equipment HK\$'000	Automotive components HK\$'000	Information and communication technology HK\$'000	Un-allocated HK\$'000	Total HK\$'000	Office automation equipment HK\$'000	Automotive components HK\$'000	Information and communication technology HK\$'000	Un-allocated HK\$'000	Total HK\$'000
Assets	4,110,467	3,234,459	314,792	40,007	7,699,725	4,060,556	3,148,948	221,558	43,637	7,474,699
Liabilities	1,019,118	869,211	246,758	2,229,865	4,364,952	1,004,662	873,220	113,913	2,340,983	4,332,778
Capital expenditure	336,154	179,102	61,800	-	577,056	113,259	179,179	22,312	-	314,750

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade receivables, restricted bank deposits, short-term bank deposits and 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 as follows:

	As at 31 December			
	2025		2024	
	Assets	Liabilities	Assets	Liabilities
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets/liabilities	7,659,718	2,135,087	7,431,062	1,991,795
Unallocated:				
Investments in associates	25,017	–	21,051	–
Financial assets at FVOCI	9,230	–	15,132	–
Cash and cash equivalents	641	–	1,220	–
Deferred income tax assets	4,460	–	4,271	–
Prepayments, deposits and other receivables	659	–	1,963	–
Current income tax liabilities	–	43,222	–	30,097
Deferred income tax liabilities	–	18,016	–	21,226
Bank borrowings	–	2,163,812	–	2,284,499
Accruals and other payables	–	4,815	–	5,161
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>7,699,725</u>	<u>4,364,952</u>	<u>7,474,699</u>	<u>4,332,778</u>

An analysis of the Group's one major customer (2024: two major customers), which accounts for 10% or more of the Group's external revenue, is as follows:

	2025	2024
	HK\$'000	HK\$'000
Customer A	1,755,006	2,186,462
Customer B	515,878	631,304

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

	2025			2024				
	The People's Republic of China ("PRC") HK\$'000	Vietnam HK\$'000	Mexico HK\$'000	Total HK\$'000	The People's Republic of China ("PRC") HK\$'000	Vietnam HK\$'000	Mexico HK\$'000	Total HK\$'000
Revenue	<u>4,472,992</u>	<u>856,189</u>	<u>698,639</u>	<u>6,027,820</u>	<u>4,571,324</u>	<u>926,824</u>	<u>798,778</u>	<u>6,296,926</u>
Assets by geographical region								
Total non-current assets	<u>2,418,069</u>	<u>469,985</u>	<u>440,497</u>	<u>3,328,551</u>	<u>2,369,104</u>	<u>341,299</u>	<u>452,253</u>	<u>3,162,656</u>
Total assets	<u>5,870,107</u>	<u>1,045,300</u>	<u>784,318</u>	<u>7,699,725</u>	<u>5,623,117</u>	<u>981,886</u>	<u>869,696</u>	<u>7,474,699</u>

4. REVENUE

	2025	2024
	HK\$'000	HK\$'000
Sales of moulds and components	5,905,133	6,173,735
Others (Note)	122,687	123,191
	6,027,820	6,296,926

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. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and general and administrative expenses are analysed as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation of property, plant and equipment	317,276	273,667
Depreciation of right-of-use assets	30,737	30,150
Amortisation of intangible assets	289	967
Employee benefit expenses	1,227,877	1,159,906
Auditor's remuneration		
– Audit services	5,335	4,490
– Non-audit services	1,417	1,365
Changes in inventories of finished goods and work-in- progress	(173,961)	(76,877)
Raw materials and consumables used	3,457,578	3,823,486
Provision for inventory obsolescence	13,305	7,697
Subcontracting expenses	6,627	9,016
Utilities expenses	80,826	79,561
Transportation expenses	54,460	59,529
Packaging expenses	122,471	143,776
Marketing expenses	14,946	12,057
Office expenses	68,658	71,834
Operating lease payments for short-term and low value leases	3,075	2,021
Others	471,435	330,328
	<u>5,702,351</u>	<u>5,932,973</u>

6. FINANCE INCOME/COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Finance income		
Interest income on bank deposits	<u>26,161</u>	<u>32,429</u>
Finance costs		
Interest expense on:		
Bank borrowings	104,315	147,087
Lease liabilities – factory and office premises	4,510	4,153
Interest capitalised (Note)	<u>(8,196)</u>	<u>(30,101)</u>
	<u>100,629</u>	<u>121,139</u>

Note: The capitalisation rate used to determine the amount of borrowings costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year and in this case it is 4.69% (2024: 5.60%).

7. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current taxation		
– Chinese Mainland corporate income tax	40,637	45,420
– Vietnam corporate income tax	6,734	9,160
– Mexico corporate income tax	11,512	2,460
Over-provision in prior years	(10,758)	(23,644)
Deferred income tax	(1,054)	(517)
	<u>47,071</u>	<u>32,879</u>

The weighted average applicable tax rate for the year ended 31 December 2025 was approximately 19.7% (2024: 11.1%). The decrease is primarily due to changes in the profitability of the subsidiaries in the respective jurisdictions of tax in the current year.

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year (2024: 16.5%).

(b) Chinese Mainland corporate income tax

Income tax of the subsidiaries of the Group established in Chinese Mainland has been provided at the following tax rates:

- (i) Provision for Chinese Mainland corporate income tax is calculated at the statutory rate of 25% (2024: 25%) on the assessable income of each of the Group's entities, except that certain subsidiaries of the Group operating in Chinese Mainland are eligible for certain tax exemptions and concessions including tax holiday and reduced income tax rate during the year.
- (ii) EVA Precision Industrial (Suzhou) Limited, Shenzhen EVA Mould Manufacturing Limited, Chongqing Digit Auto Body Ltd., Shenzhen EVA Precision Technology Group Limited, Zhongshan Digit Automotive Technology Limited, Yihe Plastic and Electronic Products (Shenzhen) Co., Ltd., Digit Stamping Technology (Wuhan) Limited, Shenzhen Digit Automotive Technology Limited and EVA Precision Industrial (Weihai) Limited are each recognised by the Chinese Government as a "National High and New Technology Enterprise" and are therefore subject to a preferential tax rate of 15% during the years ended 31 December 2024 and 2025. Shenzhen Huaxian Intelligent Technology Co., Ltd was newly recognised during the year ended 31 December 2025.

Under the Corporate Income Tax Law of Chinese Mainland, dividend distributions out of profit of foreign invested enterprises earned after January 2008 are subject to corporate withholding income tax at 10%, or at a reduced rate of 5% for subsidiaries of Hong Kong incorporated holding companies.

(c) **Other income taxes**

The Company is incorporated in the Cayman Islands 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 and, accordingly, is exempted from Cayman Islands income tax.

The Company's subsidiaries established in the British Virgin Islands are exempted from British Virgin Islands income tax.

The subsidiary established and operating in Vietnam is subjected to a preferential tax rate of 10% for the first 15 years from the year of commencing operations. It is also entitled to full exemption from corporate income tax for the first four years from the earlier of (i) the year when profit is generated for the first time or (ii) the fourth year of commencing operations; and a 50% reduction in corporate income tax for the next nine years. The Vietnam subsidiary of the Group was under 75% reduction in total from corporate income tax in Vietnam for the years ended 31 December 2024 and 2025.

Provision for Mexico Corporate income tax was calculated at the statutory rate of 30% for the years ended 31 December 2024 and 2025.

Provisions for income taxes in other jurisdictions are based on the assessable profits of the respective subsidiaries and the applicable tax rates.

8. EARNINGS PER SHARE

Basic

	2025	2024
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u>244,627</u>	<u>243,507</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>1,730,438</u>	<u>1,740,920</u>
Basic earnings per share (HK cents per share)	<u>14.1</u>	<u>14.0</u>

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 quoted 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 years.

9. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim dividend paid of HK2.33 cents (2024: HK2.20 cents) per share	40,319	38,282
Proposed final dividend of HK1.91 cents (2024: HK2.00 cents) per share	<u>33,051</u>	<u>34,818</u>
	<u>73,370</u>	<u>73,100</u>

A final dividend in respect of the year ended 31 December 2025 of HK\$1.91 cents per share, totaling of HK\$33,051,000 has been proposed for approval at the forthcoming annual general meeting. These financial statements have not reflected this dividend payable.

10. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	1,424,792	1,507,923
Less: Loss allowance	<u>(1,188)</u>	<u>(1,188)</u>
Trade receivables – net	1,423,604	1,506,735
Bills receivables	<u>341,059</u>	<u>287,601</u>
Trade and bills receivables, net	<u>1,764,663</u>	<u>1,794,336</u>

The credit period granted by the Group to its customers is generally 30 to 180 days. The aging of the trade and bills receivables based on invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	1,284,436	1,263,565
91 to 180 days	<u>481,415</u>	<u>531,959</u>
	1,765,851	1,795,524
Less: Loss allowance	<u>(1,188)</u>	<u>(1,188)</u>
Trade and bills receivables – net	<u>1,764,663</u>	<u>1,794,336</u>

The carrying amounts of trade and bills receivables approximate their fair values.

The top five customers and the largest customer accounted for 56.31% (2024: 53.63%) and 16.77% (2024: 13.25%), respectively, of the trade and bills receivables balance as at 31 December 2025. Other than these major customers, there is no concentration of credit risk with respect to trade and bills receivables as the Group has a large number of customers.

As at 31 December 2025, no trade receivables were past due (2024: Nil).

Movements of loss allowance are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
As at 1 January	1,188	1,188
Net impairment losses on financial assets	<u>—</u>	<u>—</u>
As at 31 December	<u>1,188</u>	<u>1,188</u>

Trade and bills receivables are denominated in the following currencies:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	87,982	151,051
US\$	695,112	855,199
RMB	973,898	768,086
Others	<u>8,859</u>	<u>21,188</u>
	<u>1,765,851</u>	<u>1,795,524</u>

11 TRADE PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 90 days	1,414,941	1,376,505
91 to 180 days	115,891	133,210
	<u>1,530,832</u>	<u>1,509,715</u>

The carrying amounts of trade payables approximate their fair values and are denominated in the following currencies:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	12,488	13,183
RMB	1,067,449	956,133
US\$	422,573	529,412
Others	28,322	10,987
	<u>1,530,832</u>	<u>1,509,715</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2025, the global political and economic landscape remained complex and volatile. Geopolitical tensions, inflation pressures, and a shift to moderately easing monetary policies resulted in modest growth for the global manufacturing sector, albeit with increasing divergence in regional performance. Additionally, tariff adjustments by the US not only impacted the steel, aluminum and automobiles – which bore the brunt of the changes – but also office automation (“OA”) equipment, electronic products, and server equipment. These sectors all faced rising costs for US-bound shipments and pressure from increasingly cautious demand expectations.

Under the dual pressures of tariffs and cost constraints, international brands have generally accelerated capacity relocation to Southeast Asia, which offer a relatively favourable tariff and policy environment. Meanwhile, existing capacity in China is gradually shifting towards manufacture of higher-value-added products, R&D, or primarily serving non-US markets. Moreover, some key customers, amid tariff and demand uncertainties, opted to defer orders, reducing visibility into upstream orders in 2025 and temporarily pressuring traditional OA suppliers. However, deferred demand is expected to gradually materialise from 2026 onwards as inventory replenishment and capital spending progressively resume.

Amid this challenging external environment, the Group, leveraging its long-established diversified business portfolio and globalised production footprint, successfully maintained an operating scale of over HK\$6 billion, reflecting a relatively resilient performance. Its overall turnover decreased by 4.3% year-on-year to HK\$6,027,820,000 (2024: HK\$6,296,926,000), of which the OA equipment segment, impacted by the US tariff hikes, capacity adjustments by international brand customers, and structural changes in China’s domestic demand, saw a 14.4% year-on-year decline in revenue to HK\$3,502,370,000 (2024: HK\$4,089,989,000). This was primarily due to the continued contraction in production scales among high-end OA customers in Northern China, coupled with the accelerated relocation of production capacity to Southeast Asia by certain customers in the Southern China region, resulting in a significant decline in orders and capacity utilisation at several of the Group’s industrial parks in China. While the industrial park in Vietnam continued to absorb some orders transferred from China, constrained by the capacity ramp-up phasing, it has yet to fully offset the downturn at the domestic bases. Consequently, the overall revenue of the OA equipment segment recorded a more pronounced decrease.

Meanwhile, the Group’s information and communication technology (“ICT”) related business, which has been a key focus in recent years, delivered strong performance, with full-year revenue surging by 50.5% year-on-year to HK\$389,247,000 (2024: HK\$258,595,000). Benefiting from the rising global demand for data centre construction and energy storage applications, alongside the Group’s technological strengths in laser welding and automated production, the ICT business secured new projects from key customers during the year, with sustained improvements in order quality and added value. In view of the significant growth in the scale and strategic importance of the ICT business, management has officially designated it as the Group’s third reporting segment in 2025, underscoring its strategic significance.

Fuelled by the rise in new energy and intelligentisation trends, the automotive component segment saw a rise in revenue by 9.6% year-on-year to HK\$2,136,203,000 (2024: HK\$1,948,342,000). This growth momentum was mainly driven by the continued ramp-up of capacity at the Group's industrial parks in Wuhan and Chongqing, as multiple new energy and intelligent vehicle projects entered mass production. The Mexico operations experienced a slight short-term revenue dip due to adjustments in customer mix and product portfolio focusing on higher value-added projects, yet its profitability continued to improve. Overall, the automotive component segment achieved synchronised growth in revenue and profit, further reinforcing its position as the Group's second core growth engine.

Benefiting from the ongoing cost reduction and efficiency initiatives, lean production and product mix optimisation measures over the past few years, the Group was able to improve its gross margin in 2025 to 22.3% (2024: 21.8%) despite a modest turnover decline. Although the OA equipment segment's lower capacity utilisation exerted some pressure on the overall gross margin, the effectiveness of the aforementioned measures became increasingly evident, effectively offsetting the related negative impact. By increasing the proportion of high-value-added products and reducing low-margin orders, operating EBITDA (earnings before interest, tax, depreciation and amortization) grew 5.1% to HK\$712,604,000 (2024: HK\$677,473,000) year-on-year, with profit attributable to shareholders remaining stable.

To navigate external uncertainties, the Group continued its long-standing prudent and steady financial management strategy in 2025, maintaining its debt reduction targets through prioritised repayment of bank loans and disciplined CAPEX planning that carefully considered repayment capacity. As a result, the net debt-to-equity ratio was reduced from a high of 25.2% in 2023 to 15.0% in 2024, and was further optimised to 14.1% in 2025. The Group also refined its debt structure by timely securing lower-cost funding to reduce finance costs.

Major CAPEX for the year was concentrated on the construction of the industrial park in Quang Ninh, Vietnam, equipment investments and production line upgrades in Wuhan, Chongqing, and Mexico, as well as automation enhancements for the ICT business. Given that major global economies gradually entered interest rate cut cycles in the second half of 2025, overall financing cost pressures eased somewhat. The Group has ample cash and cash equivalents, which, together with undrawn bank facilities, provide sufficient support for future business development and CAPEX plans.

Supported by the aforementioned prudent CAPEX measures and the continued deleveraging policies, the Group's financial position remained sound, providing a solid foundation to capture medium-to long-term opportunities arising from industry upgrades and supply chain restructuring amid a volatile market environment.

BUSINESS REVIEW

Office Automation (“OA”) Equipment Business

The Group has deep-rooted expertise in the OA sector for over three decades. It primarily provides one-stop services such as mould development, component production, and complete machine assembly for high-end products, including laser printers and multifunction printers for international leading brands as well as Chinese domestic customers. In 2025, impacted by the adjustments to US tariff policies and major customers’ capacity relocation to Southeast Asia, the OA equipment segment turnover declined by 14.4% year-on-year to HK\$3,502,370,000 (2024: HK\$4,089,989,000). The tariff effects were primarily manifested in OA customers confronting end-market demand uncertainties, leading to active destocking and deferred new orders, with some projects originally scheduled for production in the second half of the year postponed to 2026. Further, to mitigate tariff risks, major customers accelerated capacity relocation. However, the Group’s new capacity ramp-up in Vietnam is still in a transitional phase, making it unable to fully absorb the transferred orders in the short term, resulting in a decline in overall capacity utilisation in the OA business. In addition to the above factors, while the cost hikes from tariff adjustments can be gradually passed on to customers through negotiations, they will still be reflected in the financial statements in the short term.

OA Equipment Business Performance by Geographical Region

Southern China (Shenzhen)

In Shenzhen, as market-leading Japanese customers such as Fujifilm and Kyocera relocated orders to Southeast Asia due to escalating geopolitical issues, the Group saw a 7.6% year-on-year decline in turnover. Given the accelerated relocation of orders from Southern China to Southeast Asia due to tariff policies, the Group will actively deepen strategic cooperation with customers to jointly address market changes. At the same time, it will comprehensively assess and advance further expansion in the Southeast Asian market, leveraging the region’s production advantages and resource allocation to serve core strategic customers more effectively. Despite the gradual expansion of Southeast Asia capacity, the Group’s industrial park in Shenzhen continues to serve as the strategic operational hub for the OA business, performing key functions in R&D, project management, supply chain coordination, and customer support. The complementary collaboration between the Shenzhen and Vietnam bases enables flexible adjustments to production layouts and supply solutions in response to external uncertainties, including political, economic and climate factors, thereby strengthening the Group’s overall resilience and long-term competitive edge.

Eastern China (Suzhou)

Impacted by the ongoing relocation of traditional OA orders from Canon and Ricoh to Southeast Asia, revenue from the industrial park in Suzhou declined by 10.1% year-on-year. The Group strived to stabilise the operations at the industrial park in Suzhou by optimising its product mix, streamlining its organisation structure, and strengthening strategic cooperation with existing customers. Meanwhile, the industrial park in Suzhou has actively expanded into sectors beyond OA business, successfully securing new customers such as Meituan and Ninebot. This diversification of the customer base has helped boost capacity utilisation and tap into the high-growth potential of the smart equipment market.

Northern China (Weihai)

The Group's industrial parks in Weihai continued to serve as the primary hub for the domestic OA orders. However, due to changes in consumption patterns within China's domestic market, its annual turnover plunged by 38.0% year-on-year. Chinese consumers have increasingly favoured more affordable mass-market office and home printers, prompting the Group's major Japanese high-end product customers to progressively scale back their production in China. Given the ongoing pressure on Weihai operations, the Group entered into 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), integrating its existing operations into the Group's industrial park in Double Islands Bay, Weihai to streamline resource allocation and improve overall manufacturing, production and operational efficiency. The move will not only help centralise management and enhance synergies for the Group but also reduce operating costs, while realising the value of its assets to improve cash flow and providing greater financial support for future development.

Vietnam

Influenced by geopolitical factors and customers' strategy of relocating capacity to Southeast Asia, the industrial park in Vietnam has gradually absorbed orders transferred from Southern China, primarily by Japanese customers such as Fujifilm and Kyocera. However, the existing capacity at the industrial park in Haiphong, Vietnam is limited. In addition, as the industry is still in a transitional phase of relocating capacity to Southeast Asia, time is needed for production adjustments. Furthermore, disruptions from typhoons and other natural disasters in Vietnam have resulted in some orders being temporarily redirected back to Shenzhen. Consequently, the Vietnam operations have not yet been able to fully offset the decline in orders from Southern China.

Meanwhile, to enhance long-term production capabilities, the production lines at the new industrial park in Quang Ninh, Vietnam, are under active preparation, though ramp-up will take time before production commences and is not yet in place in the short term. Despite these factors, the Vietnam region's overall performance demonstrated relative resilience, with annual turnover down by 7.6% year-on-year, which was significantly lower than the 14.4% decline in the Group's overall OA business. Although the Shenzhen base has received some backflow orders from Vietnam amid typhoon disruptions, its turnover has declined due to the migration trend of Japanese customers, failing to reverse the overall downward trend.

Construction of the Group's new industrial park in Quang Ninh, Vietnam, progresses steadily, with completion and commissioning expected in April 2026. This will substantially expand Vietnam's total capacity, enabling the Group to undertake more orders transferred from China by international customers. The Group believes that the southward relocation of orders to Vietnam will help enhance business competitiveness, allowing it to leverage Vietnam's low costs, favourable policies, and geographical proximity to China to drive medium to long-term growth in the OA business. The Group remains optimistic about its business prospects in Vietnam over the coming years. Although the US tariff policies posed short-term shocks to the manufacturing industry in Vietnam, recovery has emerged recently with rising production output and restored business confidence. While the manufacturing sector in Southeast Asia is anticipated to maintain robust appeal, the Group expects the output capacities of its industrial parks in Haiphong and Quang Ninh in Vietnam to reach peak utilisation.

OA Equipment Segment Result and Business Outlook

In 2025, the OA equipment segment profit declined year-on-year to HK\$254,982,000 (2024: HK\$307,392,000), primarily due to the impact of US tariff policies causing temporary customer order softness and consequently lower capacity utilisation. The segment profit margin only edged down slightly by 0.2 percentage point to approximately 7.3% (2024: 7.5%), demonstrating the effectiveness of long-standing lean production and rigorous cost control measures in sustaining profitability despite a 14.4% revenue contraction, providing a solid support for navigating external uncertainties and capturing market recovery opportunities.

In recent years, the global laser printer market has sustained steady growth. The Group believes that the decline in orders caused by tariff policy adjustments is temporary, and that the overall industry remains resilient. International mainstream brands such as Fujifilm, Canon and HP have long dominated the market, securing key clients in corporate, education, healthcare, government and financial institutions. In recent years, Chinese domestic brands such as Lenovo, Pantum, and Zhixiang have rapidly risen through price-performance advantages. According to third-party survey data, the market share of domestic laser printers in China has increased from 16% in 2010 to 42% in 2025. In the face of the growing demand for domestic brands and mass-market printing products in China, the Group actively seized opportunities by stepping up investment in complete machine R&D and product engineering to drive a transition toward ODM models, on its long-established OEM foundation. During the year, the Group formed close partnerships with major Chinese printer brands such as M&G, Lanxum and Zhixiang, gradually extending its scope from component supply and assembly services to complete machine design and verification, offering customers one-stop D-EMS solutions, with large-scale production and deliveries scheduled to begin successively in 2026. The Group aims to expand D-EMS business continuously, delivering bespoke integrated services to long-standing overseas partners and new domestic customers in China. This approach will diversify capacity structure and product mix, while enhancing market competitiveness of its OA business.

In response to external uncertainties, the Group will expedite the deployment of production capacity in Southeast Asia. The new industrial park in Quang Ninh, Vietnam, is scheduled to officially commission in April 2026. Meanwhile, the Group is actively reviewing the scale of capacity in Southeast Asia and anticipates future opportunities to further expand factories and add production lines in other Southeast Asian countries, effectively mitigating regional risks and building a more resilient global supply chain.

In terms of business development, the Group successfully launched robotics-related business during the year and established strategic cooperation with leading domestic intelligent robotics customer. The first batch of complete machines was delivered in August 2025, with delivery volumes expected to surge substantially in 2026, injecting fresh momentum into the diversification of the OA business.

Automotive Component Business

In 2025, growth in the global light vehicle market slowed, with annual sales recording only a low single-digit percentage increase. The US and European markets performed relatively weakly, while Asia – particularly China – remained the primary growth engine. The penetration of new energy vehicles (NEV) continued to rise, coupled with accelerated adoption of intelligent driving applications, creating an entirely new demand structure for the automotive supply chain. The Chinese government policies such as trade-in programmes and NEV subsidies further solidified the growth momentum in the domestic NEV market. Against this backdrop, the Group's automotive component segment delivered robust performance, with annual turnover recording a surge of 9.6% year-on-year to HK\$2,136,203,000 (2024: HK\$1,948,342,000), reflecting the business' entry into a phase of stable growth.

Automotive Component Business by Region

Wuhan

Building upon the strong sales momentum from 2024, the industrial park in Wuhan continued to deliver outstanding performance throughout 2025, with annual turnover surging 28.9% against the same period last year. The growth was mainly driven by the steady volume ramp-up from the Great Wall Motor project and the phased progress in new market development. During the year, the industrial park successfully secured new orders for moulds, seat frames, chassis and other components from various NEV makers at home and abroad, including Changan Automobile, while introducing new business sources and growth momentum to the Group's domestic and overseas automotive components production bases.

As the technology development and operations control centre, Wuhan operation provides critical support for new automotive components projects through technology output solutions, mould development, and product R&D, while integrating resources from domestic sites like Wuhan and Chongqing with Mexico to enable efficient connections among domestic and overseas bases. Going forward, the industrial park in Wuhan will continue to deepen internal mechanism reforms, actively adopt cutting-edge technologies to accelerate product upgrades and solidify its premium positioning in the high-end market. The industrial park has not only strengthened its technical capabilities in welding assembly for automobile seats, chassis, battery boxes, and more, but has also actively recruited talent to secure high-quality orders and drive sustainable future growth.

Chongqing

As an economic engine in central and western China, driven by strong government policy support over the past two years, the Group's industrial park in Chongqing is about to enter a phase of rapid expansion. In 2025, the automotive component business in Chongqing demonstrated strong growth momentum, with annual turnover surging 41.1% year-on-year, mainly propelled by the successive mass production of new projects for popular models from Changan Nevo, Deepal, Avatr and Great Wall Motor.

The industrial park in Chongqing continued to provide customers in Southwest China with ancillary services, including the concurring engineering of auto body and the module assembly and delivery of functional auto body components. During the year, the Group further deepened the long-term strategic partnerships with premium OEMs such as Great Wall Motor, Changan Automobile and SGMW. The industrial park's newly introduced hot forming technology has smoothly entered production, with hot-formed components for Great Wall Motor now in mass production and related projects for Dongfeng Motor gearing up for volume production, further solidifying the Group's market position in automotive body structural components. This technology achieves ultra-thin and ultra-light processing of metal sheets through high-temperature forming to meet the lightweight requirements of NEVs, establishing a key foothold in the automotive lightweighting field. The Group continued to strengthen its strategic partnerships with premium domestic automakers like Great Wall Motor and Changan Automobile, broadening the scope of cooperation and project reach, accelerating the achievement of the Group's business goals in Chongqing and the southwestern region of China.

Shenzhen

The industrial park in Shenzhen serves as the core strategic hub for the Group's automotive components business, focusing on the R&D and manufacturing of automobile seat moulds, with products primarily exported to the US and European markets while simultaneously fulfilling orders from domestic and Japanese customers, laying a solid foundation in the international market. During the year, benefiting from steady growth in domestic automobile sales and strong recognition of the Group's technical quality by European customers, the automotive component business in Shenzhen recorded a 16.8% increase in turnover. This reflects the Group's resilience and competitiveness in the automotive mould business amid sustained global demand for precision moulds in the automobile industry. During the year, the Group continued to actively advance its market expansion strategy. New orders secured on hand include mould and component projects from Japanese client Adient as well as other core mould export orders, bolstering the order backlog to support sustained revenue growth.

As a specialised production base toward global markets and the Group's strategic centre, the industrial park's led technology research has become the core innovation engine for the Group's automotive components business. The park continues to accumulate multiple valid patents, securing several new invention and utility model patent grants during the year while actively advancing multiple applications. Management expects these innovation outcomes to drive continuous product upgrades, injecting strong technological momentum into the park's long-term development.

Zhongshan

Amid rising geopolitical risks, domestic Japanese automakers have experienced substantial production cuts over the past two to three years. Therefore, the Group promptly adjusted its business development strategy in Zhongshan. The Group focused intensively on Japanese automaker customers several years ago, but has now redirected resources towards the NEV powertrain sector. This transition positions the Group to evolve into a comprehensive solutions provider, with business spanning the new “three-electric” (batteries, motors and electronic controls) automotive system and photovoltaics-storage-charging system.

In addition to actively pursuing in-depth collaborations with a core customer on an vehicle electronics project, the Group has been vigorously expanding its customer base, optimising product structure, and prompting diversification of customer and business portfolios, so as to mitigate operational risks and the impact of single-market volatility of the industrial park in Zhongshan. During the year, despite headwinds from declining sales at automakers such as GAC Honda and GAC Toyota in South China, the Group leveraged growth in “three-electric” related businesses to buck the trend and drive overall business growth, offsetting the decline in traditional businesses and resulting in a modest 2.7% increase in turnover. Concurrently, facing intensifying market competition, the Group continued to implement cost reduction and efficiency enhancement measures in Zhongshan, optimising operational efficiency and cost structures to further elevate its overall competitiveness and earnings quality.

Mexico

As the bridgehead for the Group’s automotive component business in the North American market, the industrial park in Mexico continued to strengthen internal reforms in 2025, resulting in a 12.5% year-on-year decrease in turnover. As existing customer orders exceeded capacity and margins on certain projects narrowed, the Group has focused its efforts on proactively optimising its customer and project mix during the year to free up production capacity for high-value orders, thereby improving operational quality and profitability. During the year, the Group successfully adjusted its customer structure and secured orders for seats and battery packs from a globally renowned NEV OEM, which are expected to ramp up to mass production in the second half of 2026. At the same time, while maintaining a stable order flow from existing customers, the Group secured several new high-value project nominations, including those from Stellantis.

In 2025, with the industrial park in Wuhan serving as the core technological and resource coordination backbone, the Group has progressively consolidated and strengthened the management capabilities and operational synergies of the Mexican team. In the second half of 2025, the Group's efforts in Mexico focused on cost reduction and efficiency enhancement initiatives. By optimising processes, upgrading management and strengthening quality control, the Group aims to improve overall product quality and profitability. Meanwhile, to better meet the rapidly growing and increasingly diversified order demands of existing and new customers in Mexico, the Group has planned to increase investments in equipment for battery pack welding, electrophoresis coating lines and laser welding at the industrial park in Mexico to further enhance technical capabilities and production capacity while driving internal production system toward higher efficiency and enhanced management to achieve management upgrades. Management will continue to develop a more diversified customer base and deepen cooperation with OEMs. Capitalising on the trend of manufacturing reshoring to North America, it will steadily expand its customer portfolio, thereby creating more opportunities to secure orders for the Group's domestic automotive component business.

Automotive Component Segment Results and Business Outlook

The automotive component business recorded segment profit of HK\$135,260,000 for 2025 (2024: HK\$93,851,000), representing a robust 44.1% surge year-on-year, primarily propelled by the increase in the production scale of the NEV projects at the industrial parks in Wuhan and Chongqing. Segment profit margin improved markedly to approximately 5.9% (2024: 4.6%), fully reflecting efficient capacity release from the domestic industrial parks in China, high-margin contributions from new energy-related businesses, and benefits from an optimised customer portfolio. Despite lower capacity utilisation at the industrial park in Mexico due to order adjustments, customer mix enhancements and internal management improvements enabled it to deliver net contributions to the segment profitability against the headwinds, solidifying the foundation of earnings for the Group's automotive component segment.

Electrification and intelligentisation technology are powering rapid growth in China's automotive industry. Looking ahead, favourable policies such as "trade-in for new" will continue to stimulate domestic NEV consumption. With NEVs gaining dominance in the automotive market, enterprises must continuously improve their products, technologies, and quality. Amid multifaceted changes in the international and domestic environment, the Group prioritises innovation breakthroughs and capacity enhancement, actively strengthening its core technological edges and seizing NEV opportunities by deepening smart manufacturing, green technologies and advanced materials, while cultivating high-calibre technical talent and professional teams. These strategic initiatives are progressively translating into robust performance growth for the segment, fully reflecting high market recognition of the Group's products and services, as well as its resilient operations amid a complex industry environment.

Information and Communications Technology (ICT) Business

As artificial intelligence (AI) and big data applications proliferate rapidly, global data centre construction and upgrades are accelerating, driving sustained demand for high-performance and high-reliability server equipment and related components. The Group has strategically laid out its ICT business since 2022, focusing on developing metal components for internet servers and energy storage equipment, including server control boxes, energy storage units and inverter structural components.

In 2025, the global ICT industry faced dual transformations of technological iteration and supply chain restructuring, with AI computing power demand maintaining strong growth momentum. Servers and other core hardware precision structural components have become pivotal to industry upgrades. Driven by the wave of domestic substitution, the industry is poised for substantial development opportunities.

The business model of the ICT business differs significantly from that of the traditional OA business in terms of customer structure, product technology and market cycles. Given the unique nature and strategic importance of the ICT business, in 2025 the Group's management carved out the ICT business from the original OA equipment segment to establish it as the Group's third core segment alongside the OA business and the automotive component business. This move provides a clearer picture of the growth trajectory of the ICT business and establish a more defined management framework for future resource allocation and strategic planning.

ICT Business Performance

In 2025, the ICT business continued to focus on R&D and production of precision structural components for AI computing servers, switches, storage devices and related equipment enclosures, striving to become a leading global provider of ICT smart manufacturing solutions. Building upon the strong growth momentum from the first half, the Group continued to seize opportunities arising from the rapid development of AI and the digital economy, achieving a 50.5% year-on-year surge in revenue to HK\$389,247,000 (2024: HK\$258,595,000), elevating its contribution to the Group's overall turnover from 4.1% in 2024 to 6.5% in 2025. This growth was primarily driven by the introduction of advanced laser welding and automated production equipment, which effectively boosted production efficiency and yield rates. This enabled the Group to secure a major order from a leading domestic high-tech customer, alongside the steady expansion of new clientele beyond its core domestic high-tech customer. During the year, in addition to continuously deepening its strategic cooperation with the leading domestic high-tech enterprise, the Group successfully onboarded premium new customers such as Inspur Information, steadily building a diversified portfolio of server and energy storage equipment customers.

In terms of technology, the Group is committed to investing in R&D, adopting cutting-edge manufacturing processes and automated production equipment to accumulate a number of invention and utility model patents, mastering core technologies such as server chassis automated assembly and progressive mould stamping. The Group has fully implemented advanced digital management systems to build a highly efficient smart manufacturing ecosystem, significantly boosting production efficiency and yield rates to earn high praise from customers. The Group has also actively promoted lean production, cost reduction, and efficiency enhancement measures, which have substantially improved product manufacturing efficiency, effectively lowered production costs and earned high recognition from customers. Leveraging the Group's core capabilities and resource advantages, the ICT business will steadily expand in scale and strength, emerging as a key growth engine and vital source of core competitiveness for the Group in the future.

ICT Segment Results and Business Outlook

The ICT division recorded a segment profit of HK\$21,095,000 (2024: HK\$21,863,000) in 2025 and segment profit margin of approximately 5.1% (2024: 8.2%). Despite substantial revenue growth in ICT operations, the absence of inventory provision reversals recorded in 2024, which is a non-recurring item, resulted in a lower segment profit margin in 2025. Excluding this one-off factor, the ICT segment is expected to sustain steady profit growth driven by increasing order intake.

With sustained AI computing power demand surge and rising domestic server market share, the Group will remain focused on its core ICT customers and deepen its precision manufacturing capabilities to drive high-quality and sustainable growth. Management anticipates the ICT business to emerge as the Group's third scalable core growth engine, following OA equipment and automotive component businesses. It is expected to offset, in the medium to long term, the impacts of OA order outflows from South China and the slowdown in certain automotive mould exports, thereby bringing new vitality and opportunities to the Group. The Group will continue to ramp up investments in core ICT technology R&D, including expanding product lines for servers and energy storage equipment, and continuously adopting laser welding and automation technologies to enhance product consistency and yield rates; while actively pursuing more domestic and overseas ICT customers to establish a diversified global customer portfolio and to achieve dual growth in scale and efficiency.

Final Dividend

The Group is committed to enhancing shareholders' returns. In deciding its dividend policy, the Group has an objective of achieving a balance between shareholders' expectation and the Group's future expansion needs. Since the Group's IPO in 2005, the Board has adopted a policy of paying regular dividends with a normal target payout ratio of about 30% of the Group's net profit of the year, while retaining about 70% of the profit as reserve for future development. Accordingly, dividends per share have generally moved in line with earnings per share.

The Board recommends the payment of a final dividend of HK\$1.91 cents per ordinary share, totaling approximately HK\$33,051,000, for the year ended 31 December 2025 which is subject to shareholders' approval at the Company's forthcoming annual general meeting to be held on 19 May 2026. Together with the interim dividend of HK\$40,319,000 paid on 29 September 2025 in respect of the six months ended 30 June 2025, the interim and final dividends for the year ended 31 December 2025 will be approximately HK\$73,370,000, which is in line with the Group's normal target payout ratio of about 30% of the net profit.

FINANCIAL REVIEW

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

	2025 <i>HK\$'000</i>		2024 <i>HK\$'000</i>	
By business segment				
Turnover				
<i>Office automation equipment division</i>				
Design and fabrication of moulds	145,874	2.4%	245,430	3.9%
Manufacturing of components	3,319,769	55.1%	3,803,934	60.4%
Others (<i>Note 1</i>)	<u>36,727</u>	0.6%	<u>40,625</u>	0.6%
	<u>3,502,370</u>	58.1%	<u>4,089,989</u>	65.0%
<i>Automotive component division</i>				
Design and fabrication of moulds	139,853	2.3%	147,185	2.3%
Manufacturing of components	1,911,510	31.7%	1,719,714	27.3%
Others (<i>Note 1</i>)	<u>84,840</u>	1.4%	<u>81,443</u>	1.3%
	<u>2,136,203</u>	35.4%	<u>1,948,342</u>	30.9%
<i>Information and communication technology division</i>				
Design and fabrication of moulds	54,604	0.9%	29,927	0.5%
Manufacturing of components	333,523	5.5%	227,545	3.6%
Others (<i>Note 1</i>)	<u>1,120</u>	0.0%	<u>1,123</u>	0.0%
	<u>389,247</u>	6.5%	<u>258,595</u>	4.1%
Total	<u>6,027,820</u>		<u>6,296,926</u>	
Segment results				
Office automation equipment division	254,982		307,392	
Automotive component division	135,260		93,851	
Information and communication technology division	<u>21,095</u>		<u>21,863</u>	
Operating profit	411,337		423,106	
Unallocated expenses	(47,575)		(50,417)	
Finance income	26,161		32,429	
Finance costs	(100,629)		(121,139)	
Share of profit/(loss) of associates	2,404		(7,593)	
Income tax expense	<u>(47,071)</u>		<u>(32,879)</u>	
Profit attributable to equity holders of the Company	<u>244,627</u>		<u>243,507</u>	

Note 1: Others mainly represented sales of scrap materials.

Turnover

During the year, the Group's turnover recorded a modest decline by 4.3% to HK\$6,027,820,000 compared with last year, primarily due to a temporary downturn in the office automation ("OA") equipment business segment impacted by tariff pressures which triggered an uncertainty in end-market demand, temporary order declines due to customer destocking and order deferrals to next year, as well as customer production relocation to Southeast Asia. The decline in OA equipment segment, however, was partially offset by strong order momentum from the automotive component and the information and communication technology ("ICT") segments.

Gross profit

During the year, the Group's gross profit margin improved to 22.3% (2024: 21.8%), mainly driven by strong order growth from automotive component and ICT segments, as well as the Group's efforts in optimising production efficiency and cost control measures to mitigate margin pressure. In spite of the downturn in the OA business, the OA equipment segment's gross profit margin has remained steady. In addition, continued capacity ramp-up at the Wuhan and Chongqing industrial parks as a result of the mass production of multiple automotive component projects, as well as increased capacity utilisation in the ICT business, contributed positively to the gross profit margin and netted off the margin pressure arising from the decline in the OA equipment segment.

Segment results

For the year ended 31 December 2025, the Group's OA equipment division recorded a reduction in the segment margin to 7.3% (2024: 7.5%) mainly due to the downturn in the OA equipment segment impacted by tariffs which triggered an uncertainty in end-market demand causing deferral of orders to next year, as well as customer production relocation as aforementioned. Despite these challenges, the Group continued to optimise production efficiency and cost control measures to mitigate margin pressure.

Benefiting from higher utilisation rates in the production plants in Wuhan and Chongqing, the segment margin of the Group's automotive component division improved to 5.9% (2024: 4.6%). In addition, the Group's operations in Mexico began to contribute positive profit during the year, supported by the successful restructuring of its customer portfolio to focus on higher value-added products.

Meanwhile, despite stronger project orders, the ICT division recorded a drop in segment margin to 5.1% (2024: 8.2%). This was primarily because the Group reversed a portion of inventory provision for the ICT segment in 2024, thereby elevating the segment margin in the previous year, while no such reversal occurred in 2025.

Unallocated expenses

For the year ended 31 December 2025, unallocated expenses mainly represent corporate expenses of HK\$47,575,000 (2024: HK\$50,417,000).

Finance income and costs

The Group's finance income and costs have both reduced, resulting to HK\$26,161,000 (2024: HK\$32,429,000) and HK\$100,629,000 (2024: HK\$121,139,000) respectively. The decline in finance costs was mainly attributable to the gradual easing of market interest rates and the Group's effective deleveraging efforts, which led to a lower level of outstanding borrowings. Finance income also decreased, primarily due to a reduction in cash balances resulting mainly from increased capital expenditure for commissioning the new industrial park in Quang Ninh, Vietnam during the year. The decrease in cash balances was also attributable to higher working capital requirement at year-end, as the Group began to stock up towards the end of 2025 in preparation for the recovery of OA orders in 2026. The temporary order slowdown caused by tariffs had largely been reflected by the end of 2025, and demand was showing signs of normalisation, leading to inventory buildup during the fourth quarter.

Share of profit/(loss) of associates

Share of profit (2024: share of loss) of associates mainly represents the Group's share of 40% of the profit (2024: loss) of the micro-lending business through equity pick-up.

Income tax expense

Income tax expense for the year ended 31 December 2025 mainly represents current income tax charge amounting to HK\$40,637,000 arising from Mainland China, HK\$6,734,000 arising from Vietnam and HK\$11,512,000 arising from Mexico, netted off by over-provision of income taxes in prior years amounting to HK\$10,758,000 and deferred income tax credit of HK\$1,054,000.

Profit attributable to equity holders of the Company

For the year ended 31 December 2025, the profit attributable to equity holders of the Company was HK\$244,627,000 (2024: HK\$243,507,000).

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2025, the Group's cash flows generated from operations decreased to HK\$707,034,000 (2024: HK\$862,394,000), which was primarily due to tighter working capital, with additional cash tied up mainly by inventory buildup in the fourth quarter. Despite reduced interest and tax payments, the Group's net cash generated from operating activities dropped to HK\$598,623,000 (2024: HK\$713,778,000). During the year, the Group's capital expenditure increased to HK\$507,121,000 as the Group commissioned the new industrial park in Quang Ninh, Vietnam during the year to meet rising customer demand in Southeast Asia. Therefore, the Group recorded net cash used in investing activities amounting to HK\$518,401,000 (2024: HK\$289,844,000). The Group had a net decrease in bank borrowings of HK\$125,430,000 and lease payments of HK\$26,674,000 during the year. After payment of dividend of HK\$74,927,000, the Group recorded net cash used in financing activities of HK\$234,996,000 (2024: HK\$282,984,000) during the year.

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 have 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), almost all of the Group's borrowings as at 31 December 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

	31 December 2025	31 December 2024
Inventory turnover days (<i>Notes 1 and 5</i>)	63	48
Debtors' turnover days (<i>Notes 2 and 5</i>)	107	104
Creditors' turnover days (<i>Notes 3 and 5</i>)	120	112
Cash conversion cycle (<i>Notes 4 and 5</i>)	50	40
Current ratio (<i>Notes 6 and 8</i>)	1.36	1.53
Net debt-to-equity ratio (<i>Notes 7 and 8</i>)	14.1%	15.0%
Net profit margin (<i>Notes 9 and 11</i>)	4.1%	3.9%
Return on shareholders' equity (<i>Notes 10 and 11</i>)	<u>7.3%</u>	<u>7.8%</u>

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 year.
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 year.
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 year.
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\$100,247,000 as at 31 December 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.

Inventory turnover days

The Group's inventory turnover days increased from 48 days to 63 days for the year ended 31 December 2025, primarily due to inventory build-up towards the year-end as OA equipment orders slowed down temporarily during the year but began to recover entering 2026. The stronger order momentum from the automotive component and the ICT businesses also contributed to the elevated inventory levels at year-end.

Debtors' turnover days

Despite the decline in revenue for the year, the Group's accounts receivable remained relatively stable, indicating a gradual recovery and increasing business activities toward the year end. Accordingly, the debtors' turnover days increased from 104 days to 107 days, mainly due to the lower revenue base of the Group during the year, rather than any significant change in the receivable balance. As certain order deliveries were scheduled to early 2026, the corresponding receivables had yet to be recorded at the year-end.

Creditors' turnover days

The creditors' turnover days increased from 112 days to 120 days mainly due to higher procurement and subcontracting activities towards the year-end as the Group stocked up materials to prepare for the recovery of OA equipment orders as well as strong orders from the automotive component and ICT segments in early 2026. Correspondingly, the trade payable balance increased as at 31 December 2025.

Cash conversion cycle

The increase in cash conversion cycle in the year ended 31 December 2025 was mainly caused by the increase in inventory and debtors' turnover days as mentioned above.

Current ratio and net debt-to-equity ratio

The Group remained committed to its debt reduction initiatives and repayment plans, resulting in a further decrease in total bank borrowings during the year. However, the liquidity ratio slightly declined to 1.36, mainly because more short-term bank loans were drawn to meet higher working capital requirements at year-end and certain long-term bank loans have been reclassified as current liabilities as they fall due within one year. Nevertheless, with a decrease in overall bank borrowings level this year, the net debt-to-equity ratio continued to improve, further decreasing to 14.1%, reflecting the reduction in net debt during the year.

Net profit margin and return on shareholders' equity

The increase in the Group's net profit margin from 3.9% to 4.1% was caused by the increase in profit attributable to equity holders of the Company, as explained in the section headed "Financial Review" above. Despite a slight improvement in net profit margin from 3.9% to 4.1%, the return on shareholders' equity decreased from 7.8% to 7.3%. This was mainly due to an increase in the shareholders' equity during the year, driven by profit retention, other comprehensive income and the Group's ongoing debt reduction initiatives which lowered the overall gearing level, while net profit remained relatively stable.

FOREIGN CURRENCY EXPOSURE

For the year ended 31 December 2025, the Group's sales and raw material purchases were denominated in the following currencies:

	Sales	Purchases
Hong Kong dollars	13.8%	1.3%
US dollars	47.3%	51.1%
Renminbi	37.2%	46.8%
Other currencies	<u>1.7%</u>	<u>0.8%</u>

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 61.0% of the Group's sales and 52.4% of its raw material purchases were made in USD and Hong Kong dollars (HKD) (which are pegged to USD) during the year. 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 10,341 employees as at 31 December 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 are organised to inspire the team spirit of the Group's staff, which includes the organisation of company outings and sport activities in which the Group's employees, top management (including executive directors) and customers participate. 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 31 December 2025, the average length of services of the Group's employees below and above manager grade was 3.4 years and 7.8 years respectively.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2025, there was no charge on the Group's assets.

PURCHASES, SALE AND REDEMPTION OF THE SHARES

During the year ended 31 December 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 year ended 31 December 2025 are summarised as follows.

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

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 year ended 31 December 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.

CLOSURE OF REGISTER OF MEMBERS

To determine which shareholders will be eligible to attend and vote at the forthcoming annual general meeting to be held on Tuesday, 19 May 2026, the register of members of the Company will be closed from Wednesday, 13 May 2026 to Tuesday, 19 May 2026, both days inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 19 May 2026 are entitled to attend and vote at the annual general meeting. In order to qualify for attending and voting at the forthcoming annual general meeting, 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 Tuesday, 12 May 2026.

Subject to the shareholders' approval of the recommended final dividend at the annual general meeting of the Company, the final dividend will be payable on Friday, 12 June 2026 to shareholders whose names appear on the register of members on Thursday, 28 May 2026. To determine eligibility for the final dividend, the register of members of the Company will be closed from Saturday, 23 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no share transfer will be registered. In order to qualify for the entitlement to the proposed final 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 Friday, 22 May 2026.

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 Listing Rules. Having made specific enquiry of all directors, the Company reported that all directors have complied with the required standards set out in the Model Code during the year ended 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company and the directors confirm, to the best of their knowledge, that the Company has complied with the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules during the year ended 31 December 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 audited consolidated financial statements for the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, the directors confirm that the Company has maintained a sufficient public float as required under the Listing Rules during the year ended 31 December 2025 and up to the date of this announcement.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year end 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

By order of the Board
Zhang Hwo Jie
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises three executive directors, being Mr. Zhang Hwo Jie (Chairman), Mr. Zhang Yaohua (Chief Executive Officer) 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.