

Interim Results Briefing

First 6 months ended September 30, 2022

Date: November 15, 2022

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- Results Highlights
- Business Review

Results Highlights

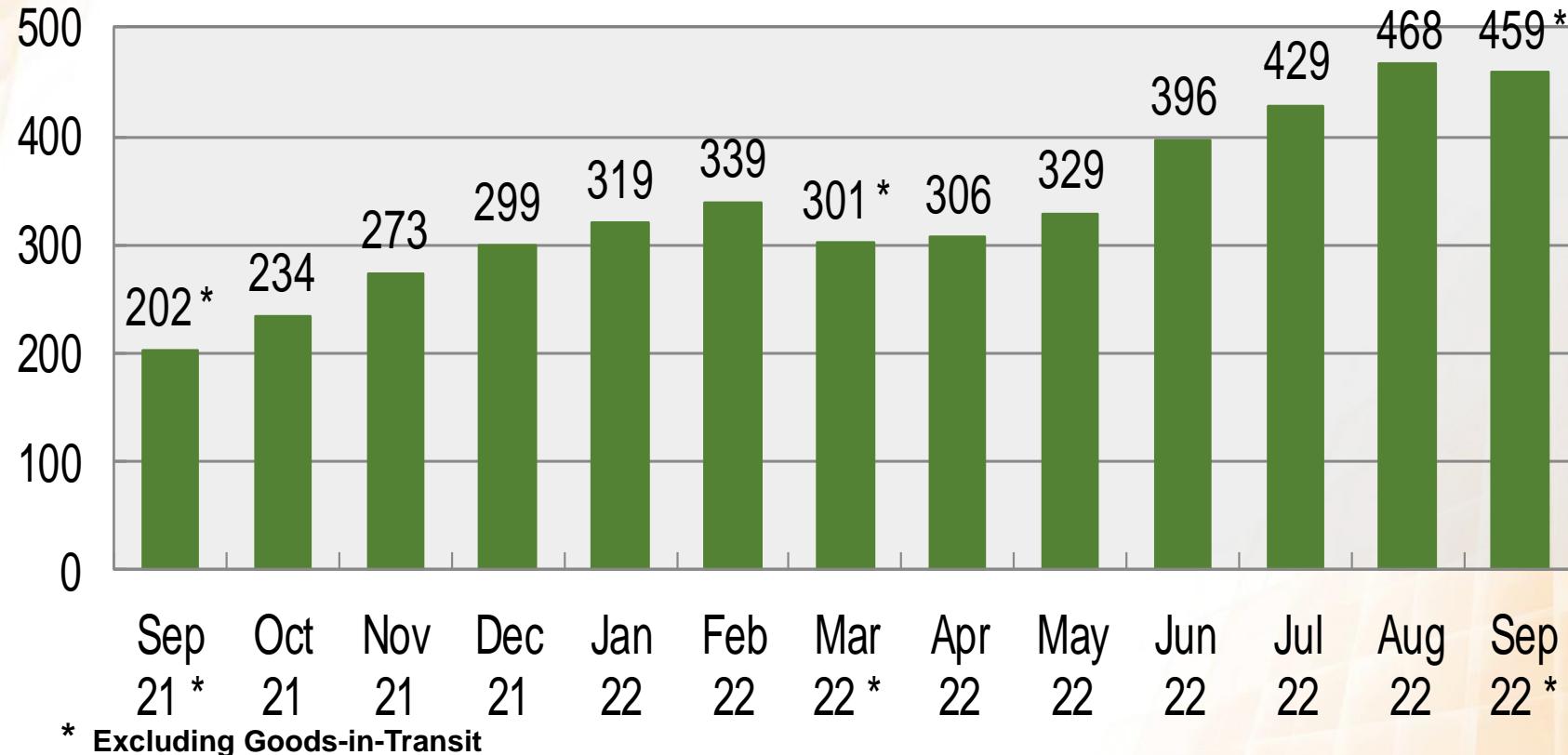
Profit And Loss

	1H FY2023 HK\$'M	1H FY2022 HK\$'M	Inc/(Dec) HK\$'M	% Change %
Turnover	1,782.8	1,785.9	(3.1)	-0.2%
EBITDA	38.8	71.1	(32.3)	-45.4%
Depreciation	(7.5)	(7.0)	0.5	6.7%
Finance costs	(14.8)	(8.7)	6.1	70.3%
Profit before tax	16.5	55.4	(38.9)	-70.1%
Income tax expense	(3.7)	(11.9)	(8.2)	-68.6%
Profit after tax	12.8	43.5	(30.7)	-70.5%
Basic EPS (HK cents)	14.78	51.09	(36.31)	-71.1%

Inventory Level

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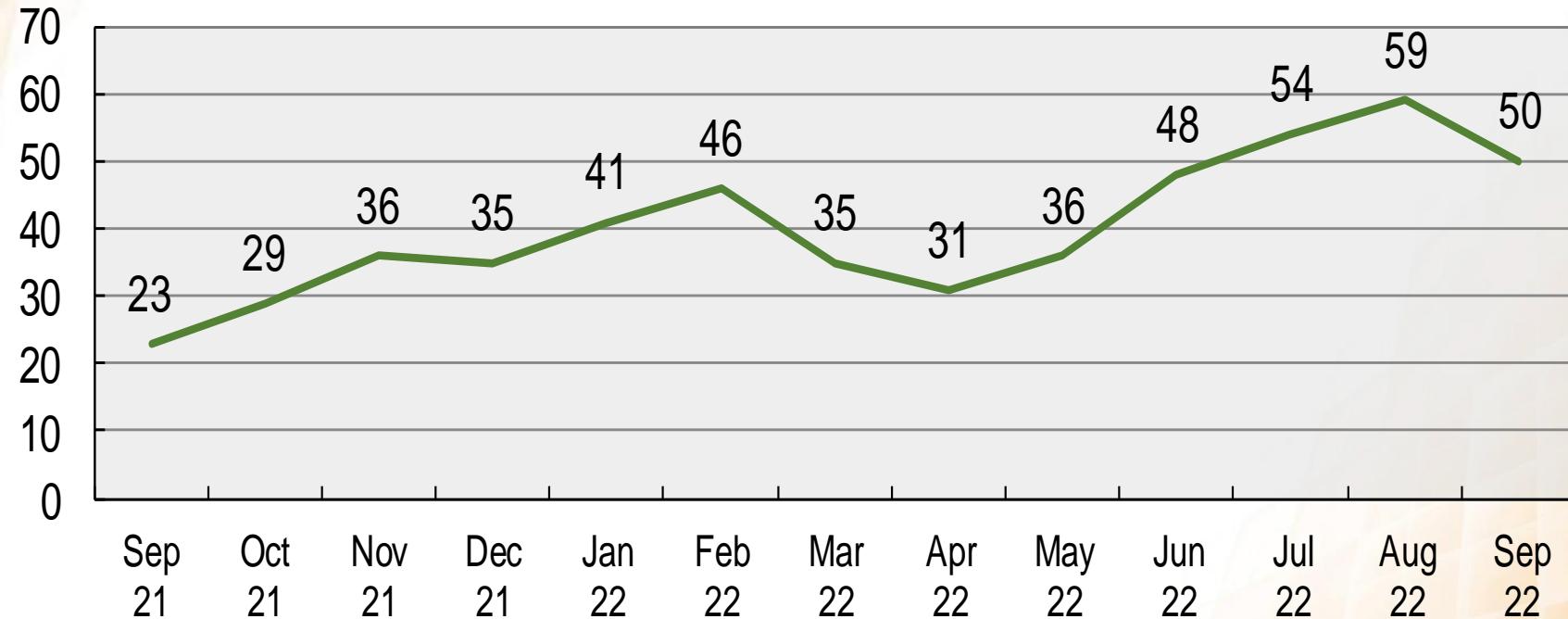
In HK\$'M



Inventory Turnover Ratio

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No. of days



Business Review

Business Review

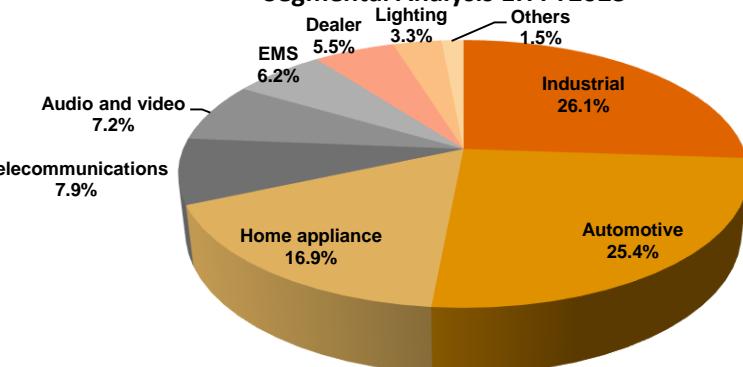
- Market Segment Review
- Snapshot of China Economy
- Update of Automotive and Home Appliance Market in China

Market Segment Review

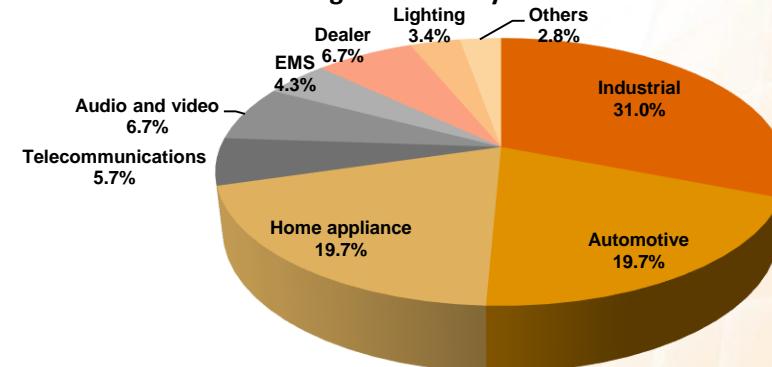
(in HK\$'000)

	1H FY2023		1H FY2022		Increase (Decrease)	
Turnover		%		%		%
Industrial	465,929	26.1%	553,720	31.0%	(87,791)	(15.9%)
Automotive	451,810	25.4%	350,817	19.7%	100,993	28.8%
Home appliance	301,890	16.9%	352,477	19.7%	(50,587)	(14.4%)
Telecommunications	140,485	7.9%	101,777	5.7%	38,708	38.0%
Audio and video	128,497	7.2%	120,165	6.7%	8,332	6.9%
EMS	110,895	6.2%	77,538	4.3%	33,357	43.0%
Dealer	97,026	5.5%	118,906	6.7%	(21,880)	(18.4%)
Lighting	59,373	3.3%	60,940	3.4%	(1,567)	(2.6%)
Others	26,940	1.5%	49,528	2.8%	(22,588)	(45.6%)
	1,782,845	100.0%	1,785,868	100.0%	(3,023)	(0.2%)

Segmental Analysis 1H FY2023



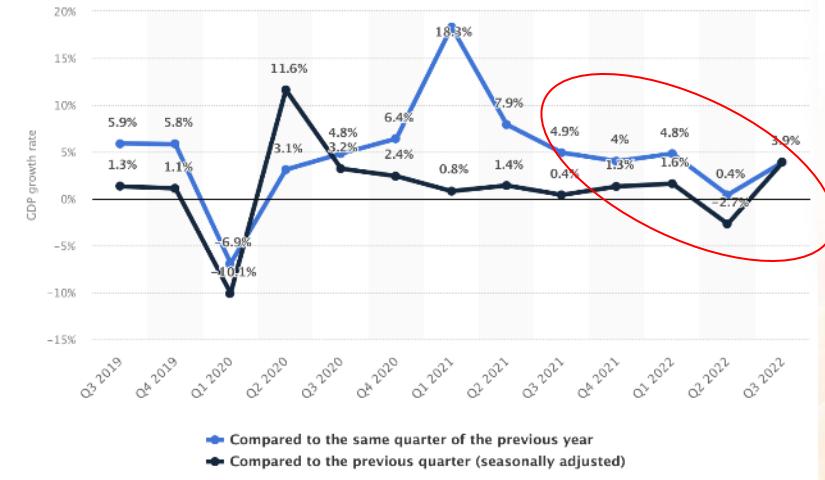
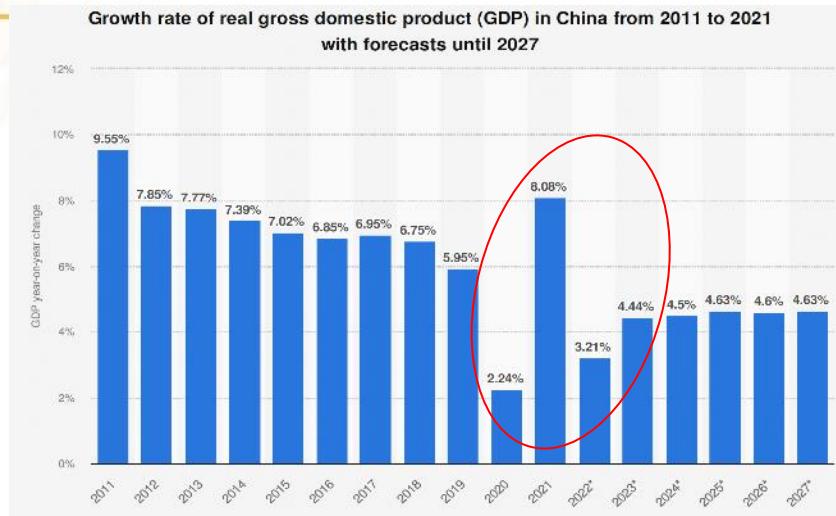
Segmental Analysis 1H FY2022



Business Review

- Market Segment Review
- **Snapshot of China Economy**
- Update of Automotive and Home Appliance Market in China

Snapshot of China Economy



2021

- China's year-on-year GDP growth 8.08% in 2021.

2022

- China's economy was negative growth (QoQ) and only 0.4% growth (YoY) in Q2/2022, and Q3/2022 only rebounded to 3.9%
- Forecast in 2022 was adjusted down to 3.21% versus the 5.6% forecast in the beginning of this year.
- The next 5 years forecast is at a low level under 5%, which show a significant slow down of economic activity in China

Business Review

- Market Segment Review
- Snapshot of China Economy
- Update of Automotive and Home Appliance Market in China

China – Sales of Automobiles in Sep 2022

Unit: 10000,
%

	Volume	Jan. — Sep.	MoM	YoY	YoY Jan. — Sep.
Cars	261.0	1947	9.5	25.7	4.4
Passenger Cars (PC)	233.2	1698.6	9.7	32.7	14.2
Cars	108.6	804.7	9.0	38.0	16.7
MPV	10.5	66.3	13.3	9.3	-7.8
SUV	111.0	804.0	9.4	30.5	15.0
Crossed Passenger Cars	3.1	23.6	44.5	29.3	-14.6
Commercial Vehicles (CV)	27.9	248.4	7.9	-12.5	-34.2
Buses	4.0	28.3	16.8	1.1	-23.9
Buses Incomplete vehicles	0.1	0.7	8.1	-45.7	-38.4
Trucks	23.9	220.1	6.6	-14.4	-35.3
Semi-trailer	2.2	23.8	9.0	-11.5	-61.1
Trucks Incomplete vehicles	2.0	21.0	9.8	-36.1	-61.5

- Total car sales in the first 9 months had only 4.4% growth, while the commercial vehicles dropped 34.2%, This further showed a slow down in economic activity in China
- With the support of government policy, the passenger car sales was able to keep a 14.2% growth, especially the New Energy Car

China – Sales of New Energy Vehicles in Sep 2022



Unit: 10000, %

	Sep.	Jan. — Sep.	MoM	YoY	YoY Jan. — Sep.
NEVs	70.8	456.7	6.2	93.9	109.9
NEV PCs	67.5	436.3	5.9	93.8	111.5
BEVs	50.6	337.8	2.8	76.1	98.9
PHEVs	16.8	98.5	16.8	177.6	169.8
NEV CVs	3.3	20.4	11.9	95.9	80.1
BEVs	3.2	19.9	10.8	96.2	81.1
PHEVs	0.04	0.2	277.3	159.6	16.5

- **Support from government and put more focus on the carbon neutrality**
- **In 9 months, the YoY growth was over 100%, still keep at high speed.**
- **NEV has reached 25% share in passenger car in first 9 months, and close to 30% in Sep 2022**

China Air-Conditioner Production

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Monthly China's Household AC Production(Ten Thousand Units)

Data Source : 产业在线 (ChinalOL.com)

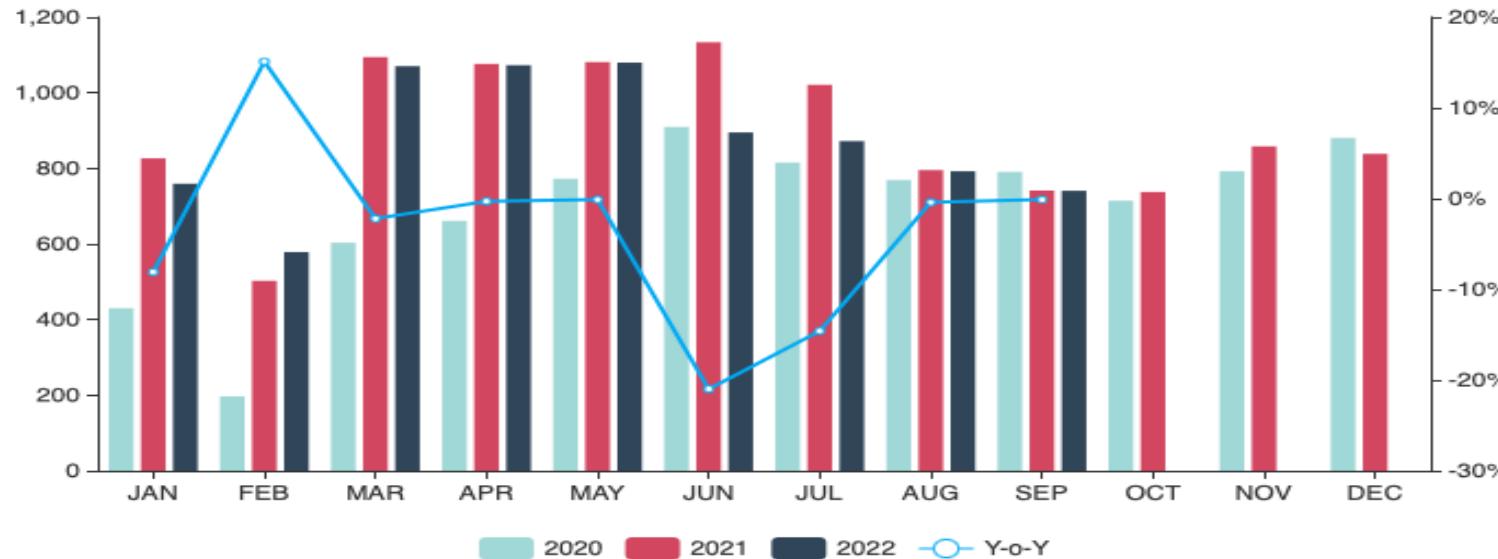


China Air-Conditioner Production (Inverter-type)

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Monthly China's Household AC(Variable) Production(Ten Thousand Units)

Data Source : 产业在线 (ChinalOL.com)



- Inverter type cannot maintain a strong growth

China Washing Machine Production

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Monthly China's Washing Machine Production(Ten Thousand Units)

Data Source : 产业在线 (ChinalOL.com)

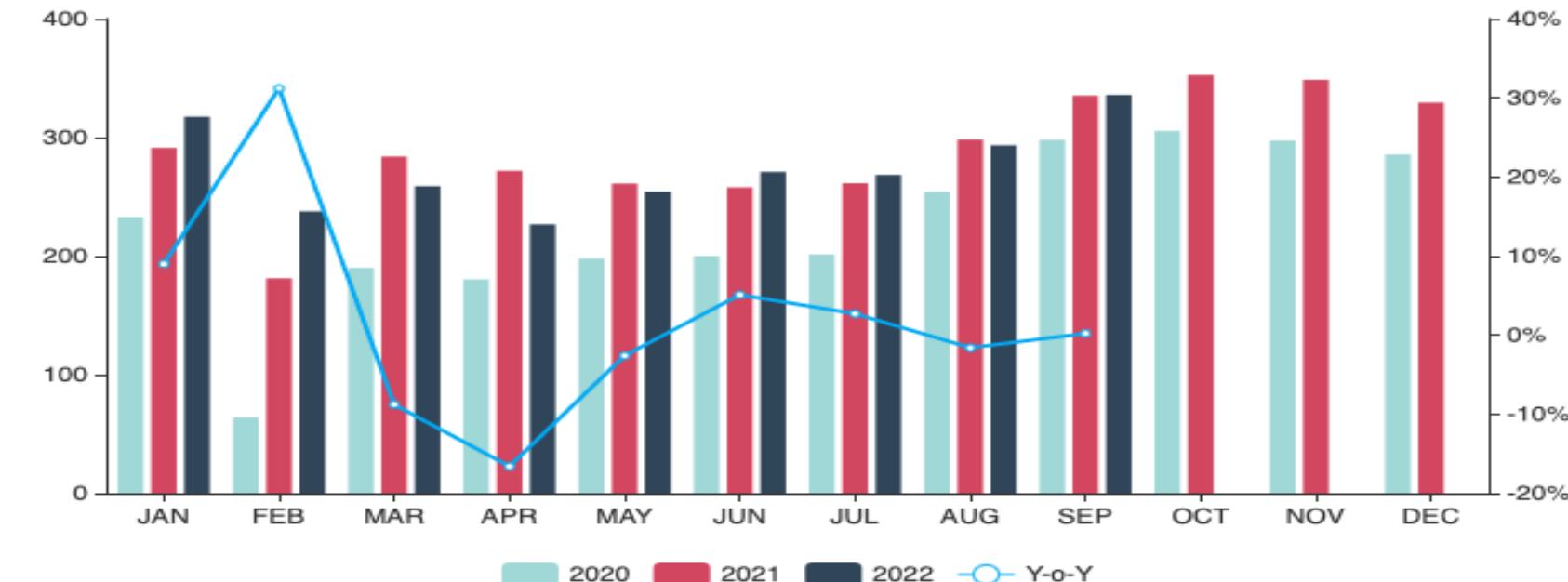


China Washing Machine Production (DC Inverter-type)

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Monthly China's Washing Machine(DC Variable-Freq.) Sales(Ten Thousand Units)

Data Source : 产业在线 (ChinalOL.com)



- Similar situation with the A/C market, growth is slowed down

Thank you !