



FY2023 Investor Briefing

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FY2023 Financial Results

Financial Highlight

HK\$'000	2023	2022	2021	2020	2019
Revenue	9,167,215	10,775,308	15,459,055	7,761,758	7,556,477
Gross Profit	700,746	1,562,962	4,287,162	795,355	516,314
Gross Profit Margin	7.6%	14.5%	27.7%	10.2%	6.8%
Profit Attributable to Owners of the Co.	60,843	702,484	2,376,320	207,276	10,266
Profit Margin	0.7%	6.5%	15.4%	2.7%	0.1%
Basic Earning per Share (HK\$)	0.16	1.810	6.140	0.560	0.030
Dividend (HK\$)	0.300	1.050	2.450	0.220	0.000
Dividend Payout Ratio	187.5%	58.0%	39.9%	39.3%	0.0%

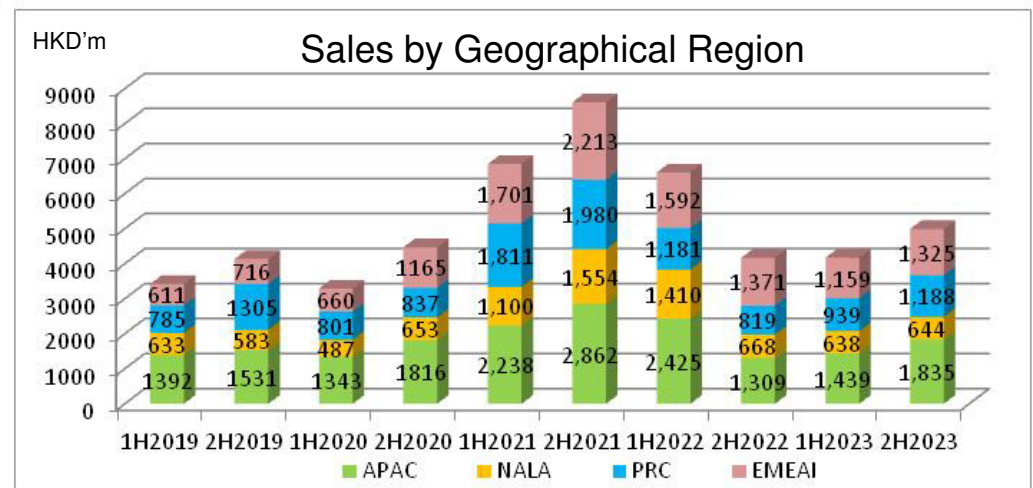
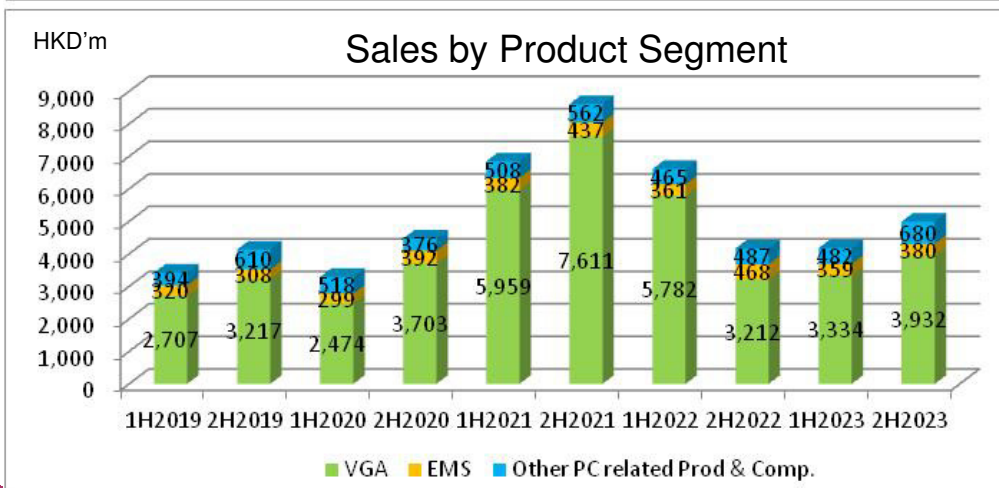
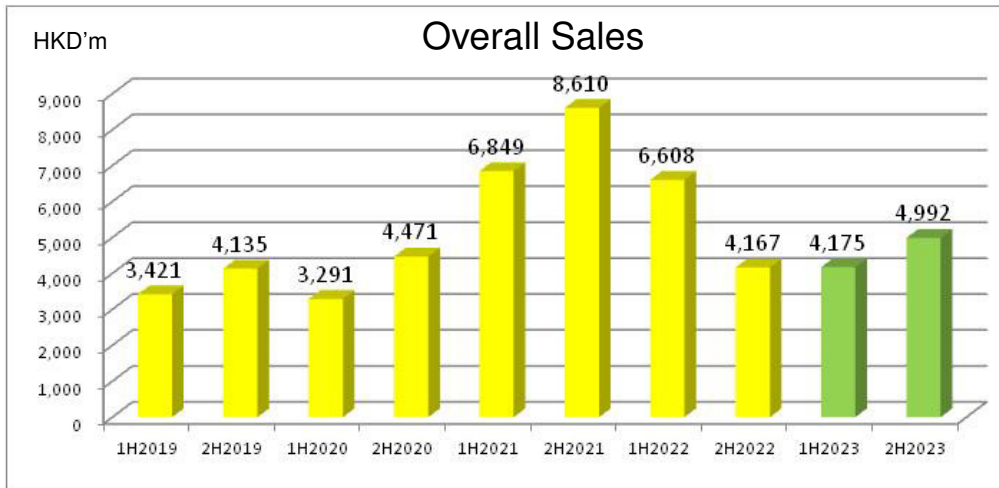
Working Capital

HK\$m	2023	2022
Inventories	1,135	1,832
Inventory Turnover Days	64	66
Trade Receivables	815	1,185
Trade Receivables Turnover Days	40	41
Trade Payables	1,047	965
Trade Payables Turnover Days	43	51

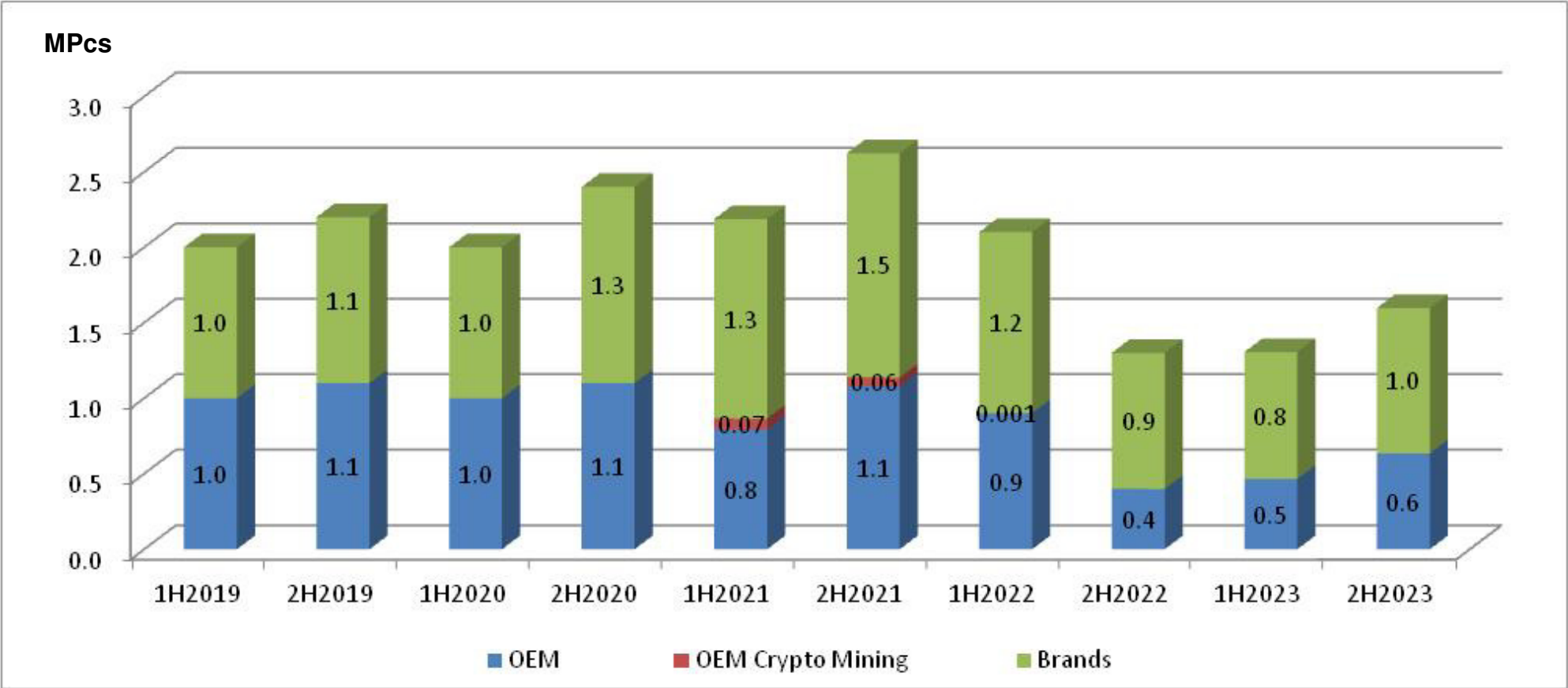
Liquidity Position

HK\$m	2023	2022
Cash and Bank balances	2,491	2,207
Borrowings	982	1,739
Net Cash to Equity Ratio	50.8%	11.9%

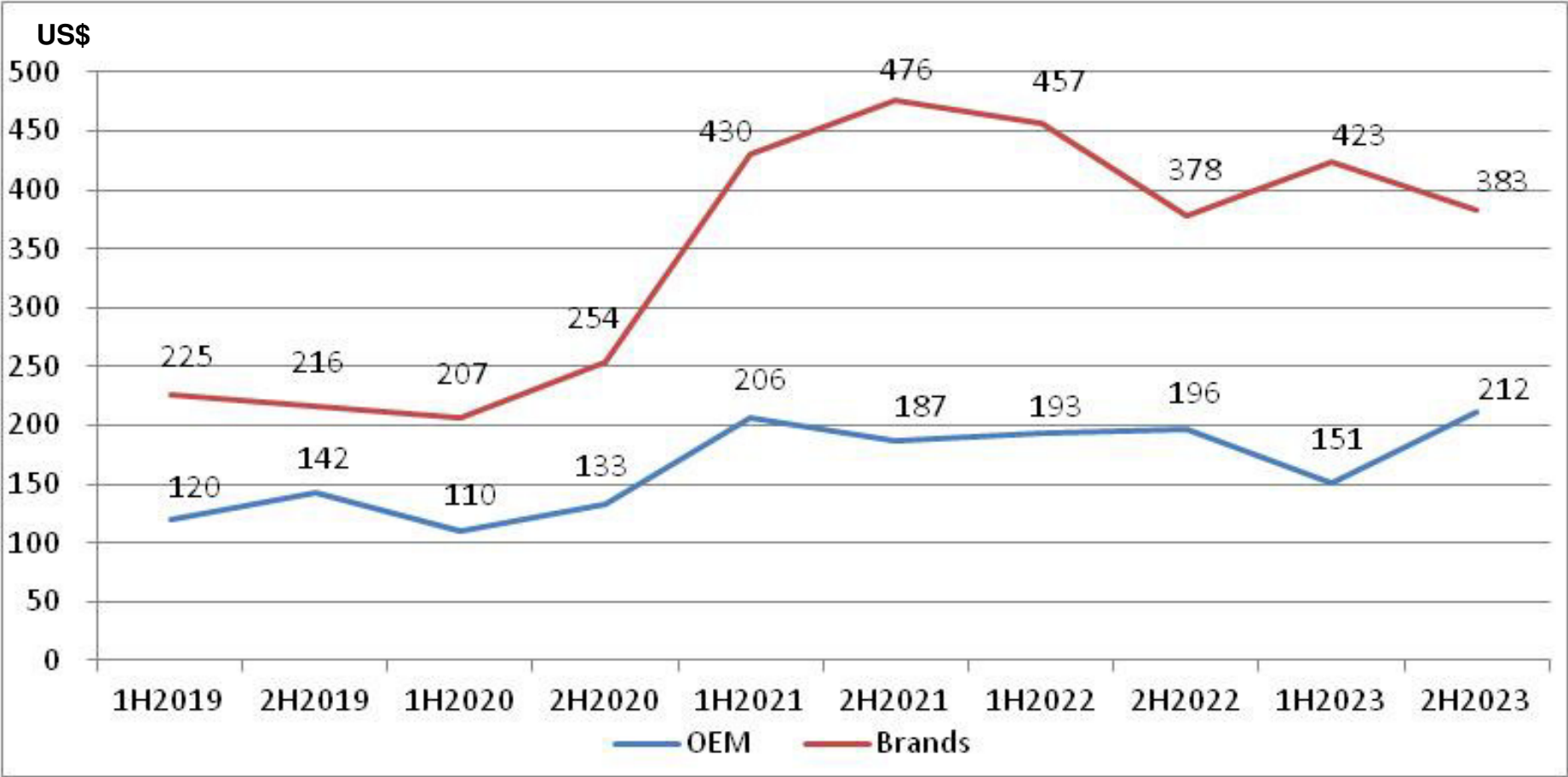
Sales Performance



Sales Quantities



Average Selling Price (ASP)



Sales Performance

Declined by 15% from 2022 to 2023

- Conservative purchase strategy of last generation & unpopular GPUs under brand VGA business (especially 1st half yr)
- High inflation & strong USD continued discourage corporate & consumer spending
- Continued with price discount & promotion to stimulate sales volume
- NVIDIA reduced high end GPU allocation since end of Q3 to get market ready for SUPER series launched in Jan 2024
- OEM customers were conservative on inventory intakes
- PC market remained soft for the year

Gross Profit Margin

Declined from 14.5% in 2022 to 7.6% in 2023

- Clearance of slow moving & last generation brand VGA Cards with deeper discount (e.g. RTX 3070Ti & 3070)
- Decline on sales volume but factory overheads are mostly fixed costs
- Lower ASP on brand VGA Cards has resulted in a decline of contribution margin
- Lower sales level of high GPM products such as miniPC
- EMS orders dropped also caused a decline of GPM

Contingency

U.S tariff in a maximum amount of US\$25m

- Difference in view between U.S. Customs Department & the Company on a proper categorization of brand VGA Cards as gaming component or hardware component
- No tariff for gaming component but hardware component is subjected to 25% tariff under the China Section 301-Tariff
- Company believes the usage and application of VGA Cards has been change with technological advancement, computers do not need VGA Cards for display purpose so consumer purchased VGA Cards are mainly to enjoy a better gaming experience
- Professional & Legal opinion has been obtained to support the argument, Company will file a protest to clarify the gaming component classification



FY2024 Business Outlook

Business Outlook

Brand VGA Cards

- Market is still soft on VGA Cards, inflation and strong dollars still discourage consumer demand even thru inflation has been slowed down
- Gaming GPU allocation from NVIDIA and AMD are limited, capacity may allocate to AI
- Decent demand on new VGA Cards with NVIDIA SUPER series GPUs since launched in Q1 2024
- A small quantity of RTX 4090 keeps selling in Q1, the model is under new sanction
- New RTX 4090D for China market is selling well in China market
- GPU allocation may remain tight throughout the year until next generation of GPU comes out (expecting in Q4)
- Pricing of brand VGA Cards gets stable and foresee a certain increase on hot selling series
- Products continue shifting toward higher ASP product series



Business Outlook

OEM/ODM VGA Cards

- New GPUs shall encourage more orders from OEM/ODM customers for gaming desktops
- Expect higher ASP on OEM/ODM orders which follows market trend

EMS Business

- Not much growth driver, focus on current customers' projects
- Expect revenue remains flat in this year

PC / MiniPC

- Expect a better revenue growth
- Closing more projects deals in this year
- ASP shall increase as more products come with high end configuration & GPU



Financial Outlook

Revenue growth may be mild but GPM shall improve in 2024

- Higher ASP offsets decline on volume for both brand & OEM/ODM VGA Cards
- Continue to utilize free cashflow to minimize borrowing cost as interest rate remains high at least in the 1st half of the year
- Continue with a conservative practice & tight control on inventory management
- Expect an improvement of GPM which associate with higher ASP & price increase due to a potential limitation of gaming GPU supply
- New products contribution may represent a small portion of the Group revenue for the year but should have a greater contribution in future

Business Risk

- Latest sanction in Oct 2023 disallowed NVIDIA exports AI GPUs & top-of-the-line gaming GPU (RTX 4090) to restricted countries / regions
- NVIDIA is working to apply for exemption license for PCPG continues selling RTX 4090
- Such sanction may affect the development of the new GPU server business
- Company is seeking advice from NVIDIA & external professional on how to get around for the sanction problem

Q & A

THANK YOU!