



SUGA INTERNATIONAL HOLDINGS LIMITED

信佳國際集團有限公司

(Incorporated in Bermuda with limited liability)(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 912

FY2022/23 Annual Results Announcement Corporate Presentation



Financial Highlights



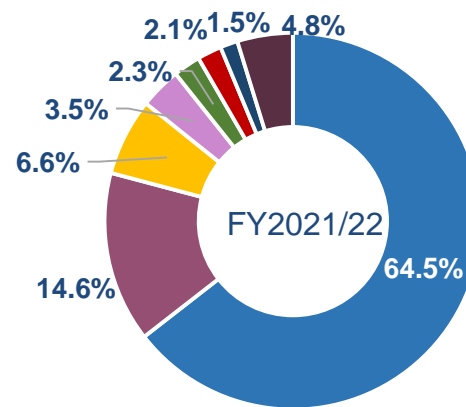
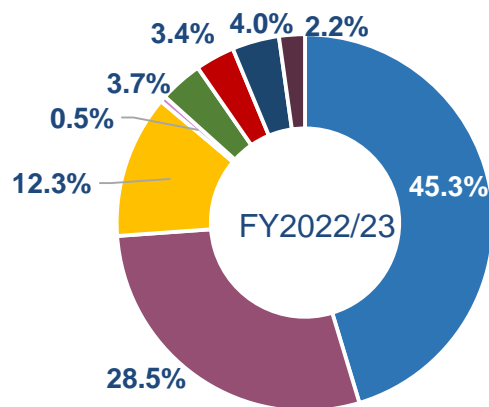
Financial Highlights

Year ended 31 Mar

| HK\$ million | FY2022/23 | FY2021/22 | Change |
|---|----------------|-----------|----------|
| Revenue | 1,443.5 | 1,855.9 | -22.2% |
| - Electronic products | 1,243.9 | 1,413.0 | -12.0% |
| - Pet business | 199.6 | 442.9 | -54.9% |
| Gross profit | 202.9 | 257.7 | -21.3% |
| Gross profit margin | 14.1% | 13.9% | +0.2 pts |
| Profit attributable to owners of the Company | 59.8 | 56.5 | +5.9% |
| Net profit margin | 4.2% | 3.1% | +1.1 pts |
| Earnings per share | | | |
| - Basic (HK cents) | 21.00 | 19.83 | +5.9% |
| - Diluted (HK cents) | 21.00 | 19.82 | +6.0% |
| Total dividend per share (HK cents) | 12.0 | 12.0 | - |
| - Interim, paid | 5.0 | 6.0 | -16.7% |
| - Final | 4.0 | 6.0 | -33.3% |
| - Special dividend | 3.0 | Nil | - |

Revenue by Region of Destination

- USA
- PRC
- Japan
- Germany
- Australia
- France



| HK\$'000 | Year ended 31 Mar | |
|--------------|-------------------|------------------|
| | FY2022/23 | FY2021/22 |
| USA | 654,433 | 1,196,719 |
| PRC | 411,843 | 271,799 |
| Japan | 177,171 | 123,014 |
| Germany | 7,458 | 65,875 |
| Australia | 53,363 | 43,428 |
| France | 48,817 | 38,637 |
| UK | 58,349 | 28,000 |
| Others | 32,048 | 88,403 |
| Total | 1,443,482 | 1,855,875 |

Dividend

- Dividend payout: **HK\$34.2 million** (FY2021/22: HK\$34.2 million)
- Final dividend: **HK4.0 cents per share** (FY2021/22: final dividend of HK6.0 cents per share)
- Special dividend: **HK3.0 cents per share** (FY2021/22: Nil)
- Together with interim dividend (HK5.0 cents), total dividend for the year: **HK12.0 cents per share** (FY2021/22: HK12.0 cents)

Key Financial Ratios

| | As at 31/3/2023 | As at 31/3/2022 |
|---|----------------------|-----------------|
| Liquidity | | |
| Current ratio (times) <i>(current assets / current liabilities)</i> | 2.13 | 1.80 |
| Cash and bank balances (HK\$) | 138.2 million | 141.7 million |
| Bank borrowings (HK\$) | 137.3 million | 206.0 million |
| Gearing ratio <i>(total bank borrowings / total equity)</i> | 17.1% | 25.4% |
| Turnover ratio | | |
| Inventory turnover (days) | 129 | 91 |
| Debtors turnover (days) | 65 | 61 |
| Net asset value per share (HK\$) | 2.82 | 2.84 |

Business Review



Electronic Products

- The electronic products business remained the Group's main source of revenue
- Contributing HK\$1,243.9 million (FY2021/22: HK\$1,413 million), a 12.0% YoY decrease
- Significant increase in customer inventories during the pandemic
- Orders for professional audio equipment, telephones for the hearing impaired and other products slowed last year as the global economy was hit by various factors

- Orders for smart cards and near-field communication (“NFC”) products, as well as telecommunications products for Japanese customers, have gradually **returned to normal**
- In the first half year, the Group's cooperation with **new customers** in the production of single-Board Computer (“SBC”) and professional audio equipment began to **deliver significant revenue contributions** in the second half year



- Orders from an innovative IoT company that began working with the Group last year grew steadily
- Client targets the European and US markets, focusing on manufacturing and supplying IoT-based products and solutions, including asset trackers

Pet Business

- Sales from the pet business amounted to HK\$199.6 million (FY 2021/22: HK\$442.9 million), a decrease of 54.9% from the previous year, accounting for 13.8% of the Group's total sales
- Regarding pet electronic products, business partners of pet training equipment recorded a slight decline due a more prudent operating strategy and reduced inventory during the year

- Pet food business was relatively stable
- The Group's own pet food brand "Brabanconne" won the "2022 Hong Kong Emerging Brands" award
- The Group's agency brand "The Gift for Life" won the "Chinese Herbal Medicine and Natural Health Products" award



- The Group's own pet food brand "Teeny Tiny" launched a new range of fresh and grain-free cat food
- Strengthening online sales in Hong Kong, Japan and Mainland China

TEENY&TINY
趣味记

Withdrawal from the Huizhou Property Development Project



After withdrawing from the Huizhou Jiayifu real estate project, the net proceeds from its sale have strengthened the Group's financial position and cash liquidity, enabling it to reserve sufficient funds for new investments



The Group will seize the opportune time to explore investment opportunities



Prospects



Social and Economic Activities Resume

In the second half of 2023, social and economic activities resumed in an orderly manner

- COVID-19 pandemic largely subsided
- Regional exchange and communication increased
- Actively expanded its customer network

- US Federal Reserve's interest rate hikes
- High inflation remained

Continue business diversification strategy



Advantage of “China Plus One” Production Layout



Electronic Products – Seize Market Recovery Opportunities

Opportunity



Better customer network



Factory visit



Industry exhibitions

Advantage

“China Plus One” strategy

Flexibly allocate
production capacity

Diversify customers’
supply chain risks

New Customer

- A new customer for the production of electronic paper displays (a new IoT product) in the Vietnam factory
- Mainly be sold in the US for the retail market
- Tremendous production demand
- Potential to be applied in other scenarios

Pet Business – Enhanced Pet Health Ecosystem

Continuous investment in and development of advanced technologies to enhance the Group's pet health ecosystem

Research breakthrough: CS4 SeNP

- Enhance immunoregulatory, antioxidant and antitumor therapeutic effects
- Key active ingredient of caterpillar fungus
- New product ready for launch after conducting market observation



Enormous demand for natural and healthy pet food and premium pet nutrition products

Expand market presence with innovative pet healthcare products

Q&A

