



Tongda Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 00698

2019 Annual Results Announcement

17 March 2020

Key Financial Figures

As of 31 December



Revenue



Gross Profit
(Gross Profit Margin)











EBITDA*
(EBITDA* Margin)



Profit of the Owners of
the Company
(Margin of Profit of the
Owner of the Company)



Total Dividend per
share of the Year

	Revenue	Gross Profit (Gross Profit Margin)	EBITDA* (EBITDA* Margin)	Profit of the Owners of the Company (Margin of Profit of the Owner of the Company)	Total Dividend per share of the Year
2019	HK\$9,185.9 Million	HK\$1,676.9 Million (18.3%)	HK\$1,183.0 Million (12.9%)	HK\$401.5 Million (4.4%)	HK 1.05 Cents
2018	HK\$8,899.3 Million	HK\$1,793.9 Million (20.2%)	HK\$1,248.6 Million (14.0%)	HK\$542.8 Million (6.1%)	HK 2.8 Cents
Change	 3.2%	 6.5%  1.9 p.p.	 5.3%  1.1 p.p.	 26.0%  1.7 p.p.	 62.5%

* “EBITDA” is the abbreviation of the term “Earnings Before Interest, Taxes, Depreciation, and Amortization”

Key Financial Figures (Cont.)

As of 31 December

2019

2018

	(HK\$'000)	(As % of Revenue)	(HK\$'000)	(As % of Revenue)
Revenue	9,185,866	100.0%	8,899,306	100.0%
Total Operating Expenses	1,079,009	11.7%	1,003,436	11.3%
Selling and Distribution Expenses	133,326	1.5%	128,694	1.4%
R&D Expenses	412,144	4.4%	409,442	4.6%
Administrative Expenses (R&D Expenses Excluded)*	533,539	5.8%	465,300	5.3%

* R&D expenses are included in administrative expenses in annual report





Key Financial Figures (Cont.)

As of 31 December	2019	2018
Current Ratio (<i>Times</i>)	1.18	1.31
Gearing Ratio*	37.8%	48.4%
Capital Expenditure (<i>HK\$ Million</i>)	925.6	1,255.9

* Consolidated Net Debt / Total Equity

As of 31 December	2019 (<i>HK\$'000</i>)	2018 (<i>HK\$'000</i>)
Net Cash Flows from Operating Activities	1,514,488	1,037,664
Net Cash Flows Used in Investing Activities	(673,097)	(1,541,868)
Net Cash Flows from / (Used) Financing Activities	(490,327)	556,019

Key Financial Figures (Cont.)

As of 31 December	2019 ^A	2018 ^A	Change
Working Capital Turnover Days	101	140	 27.9%
Inventory Turnover Days ¹	116	134	 13.4%
Trade and Bills Receivables Turnover Days ²	120	144	 16.7%
Trade and Bills Payable Turnover Days ³	135	138	 2.2%

A:

1. $(\text{Opening} + \text{Ending Inventory}) / 2 \times 365 \text{ days} / \text{COGS}$
2. $(\text{Opening} + \text{Ending AR \& BR}) / 2 \times 365 \text{ days} / \text{Revenue}$
3. $(\text{Opening} + \text{Ending AP \& BP}) / 2 \times 365 \text{ days} / \text{COGS}$

Key Financial Figures (Cont.)

As of 31 December



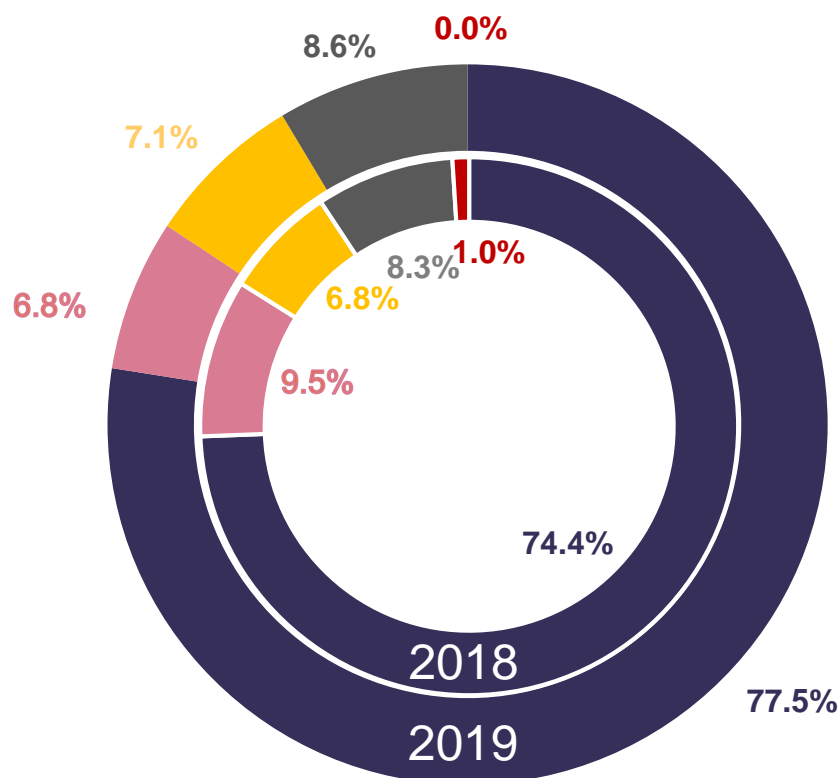
Inventories (HK\$'000)	2019	2018	Change
Raw Materials	557,946	614,982	-9.3%
Work in Progress	524,918	503,845	4.2%
Finished Goods (Molds Excluded)	713,293	923,145	-22.7%
Molds	448,733	486,978	-7.9%
Total	2,244,890	2,528,950	-11.2%

Trade and Bills Receivables by Age (HK\$'000)	2019	2018	Change
Within 3 Months	2,733,957	2,916,025	-6.2%
4 to 6 Months (Inclusive of the First and the Last Month)	183,509	192,167	-4.5%
7 to 9 Months (Inclusive of the First and Last Month)	12,816	9,435	35.8%
10 to 12 Months (Inclusive of the First and the Last Month)	9,422	6,170	52.7%
More than 1 Year	44,855	32,814	36.7%
Impairment Allowances	-38,371	-41,818	-8.2%
Total	2,946,188	3,114,793	-5.4%

Turnover by Product

As of 31 December

	2019 (HK\$ Million)	2018 (HK\$ Million)	Change (%)
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Handset Casings & High-precision Components	7,119.9	6,621.4	7.5
Smart Electrical Appliances Casings	627.3	848.5	26.1
Household and Sports Goods	648.2	606.8	6.8
Network Communication Facilities and Others	790.5	739.1	7.0
Notebook Computers*	-	83.5	100.0

* This segment was spun and successfully listed on the Main Board of The Stock Exchange of Hong Kong in March 2018

Business Segment Analysis

Development of Customer Base

1978-2015

2016

2017

2018

2019

Handset Casings and High-precision Components



Automotive



Smart Electrical Appliances



Household & Sports Goods

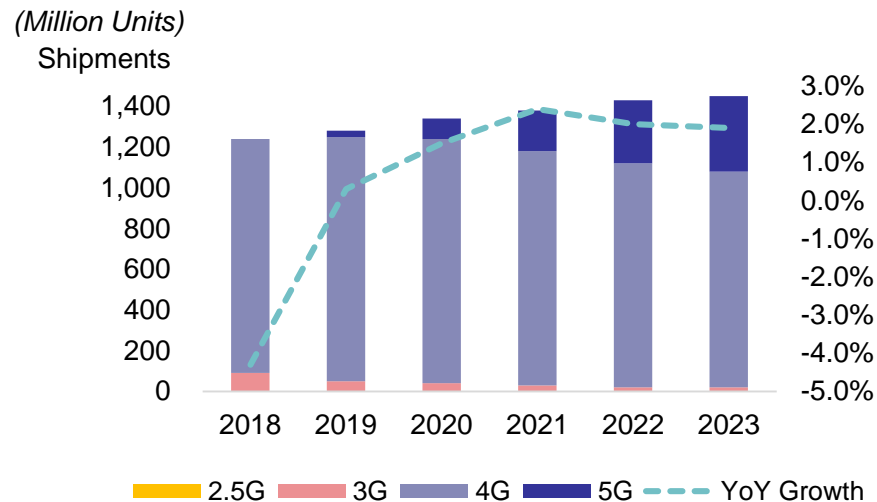


Network Communication Facilities and 5G Antenna



5G Development Focus - Handset

Worldwide Smartphone Forecast by Generation



Source: IDC Q3 2019

*According to IDC in February 2020, the shipment volume is expected to decline 2.3% to 1.34 billion units in 2020 as compared with the YoY growth of 1.5%. Meanwhile, the shipment volume is expected to increase from YoY growth of 2.4% to 6.3% to 1.42 billion units in 2021

Potential Development of 5G Handsets

Potential Upgrades of Handset Components

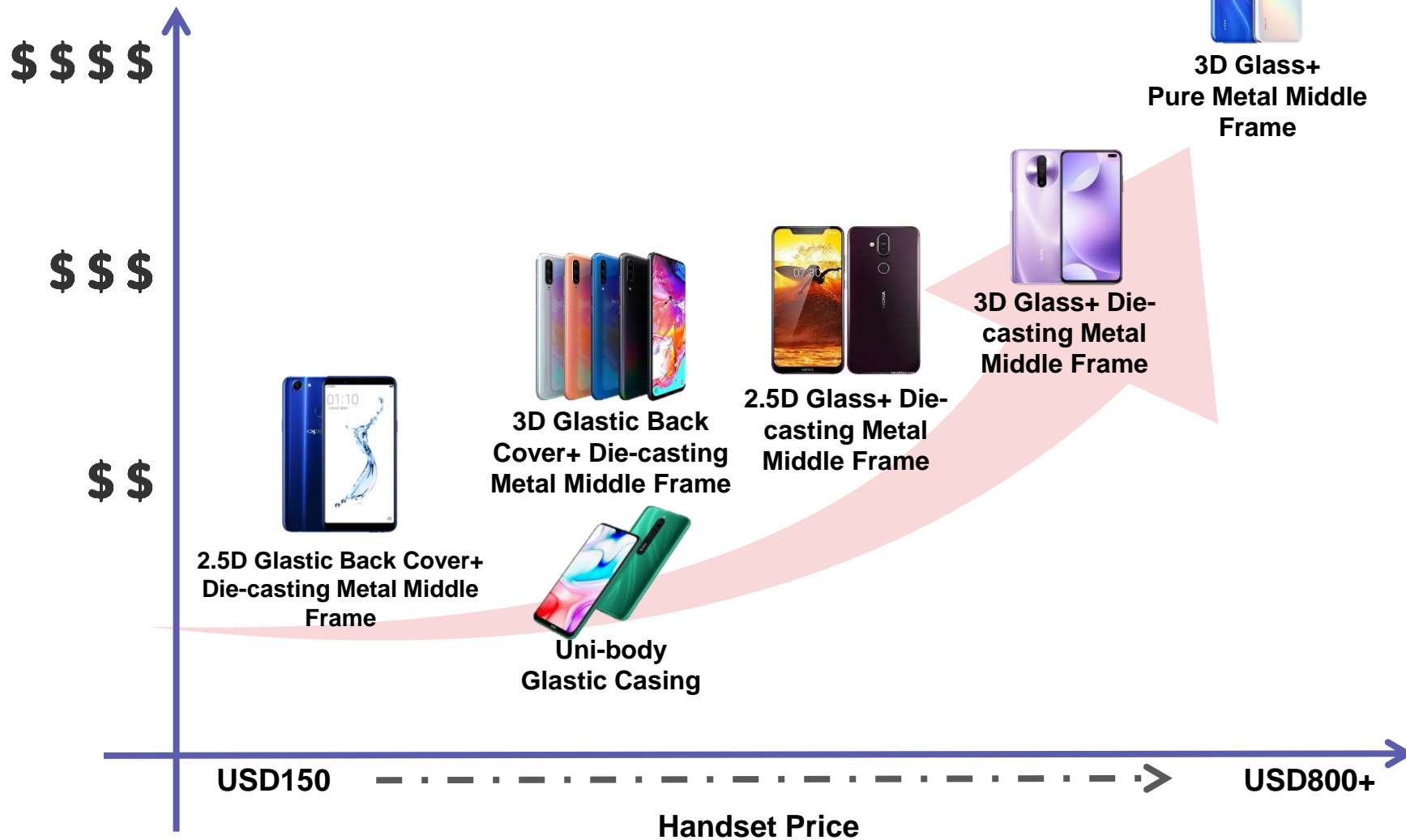


Fast Penetration of Medium and Low-priced Range 5G Handsets



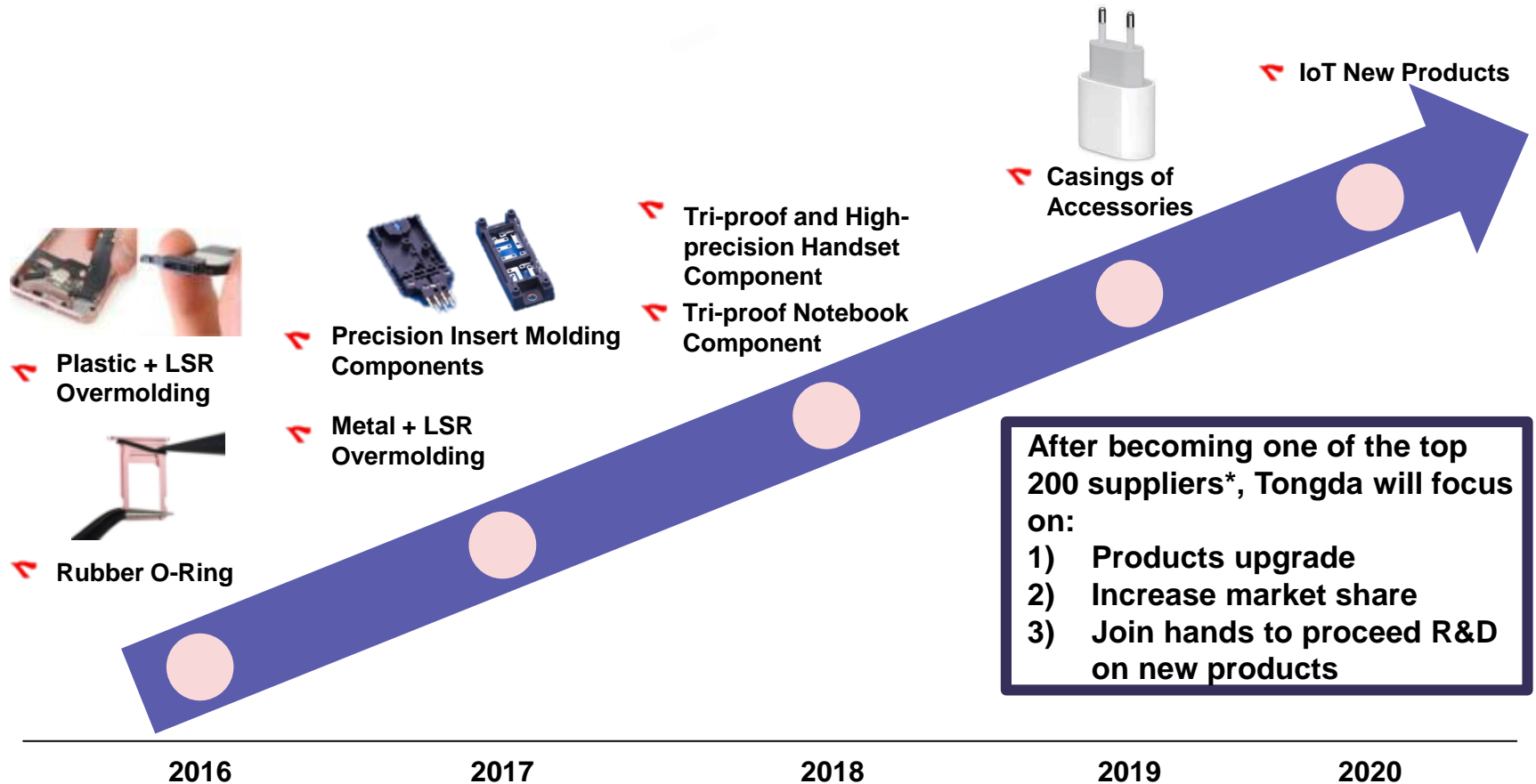
Handset

Casing Price



Upgrade of Handsets Components

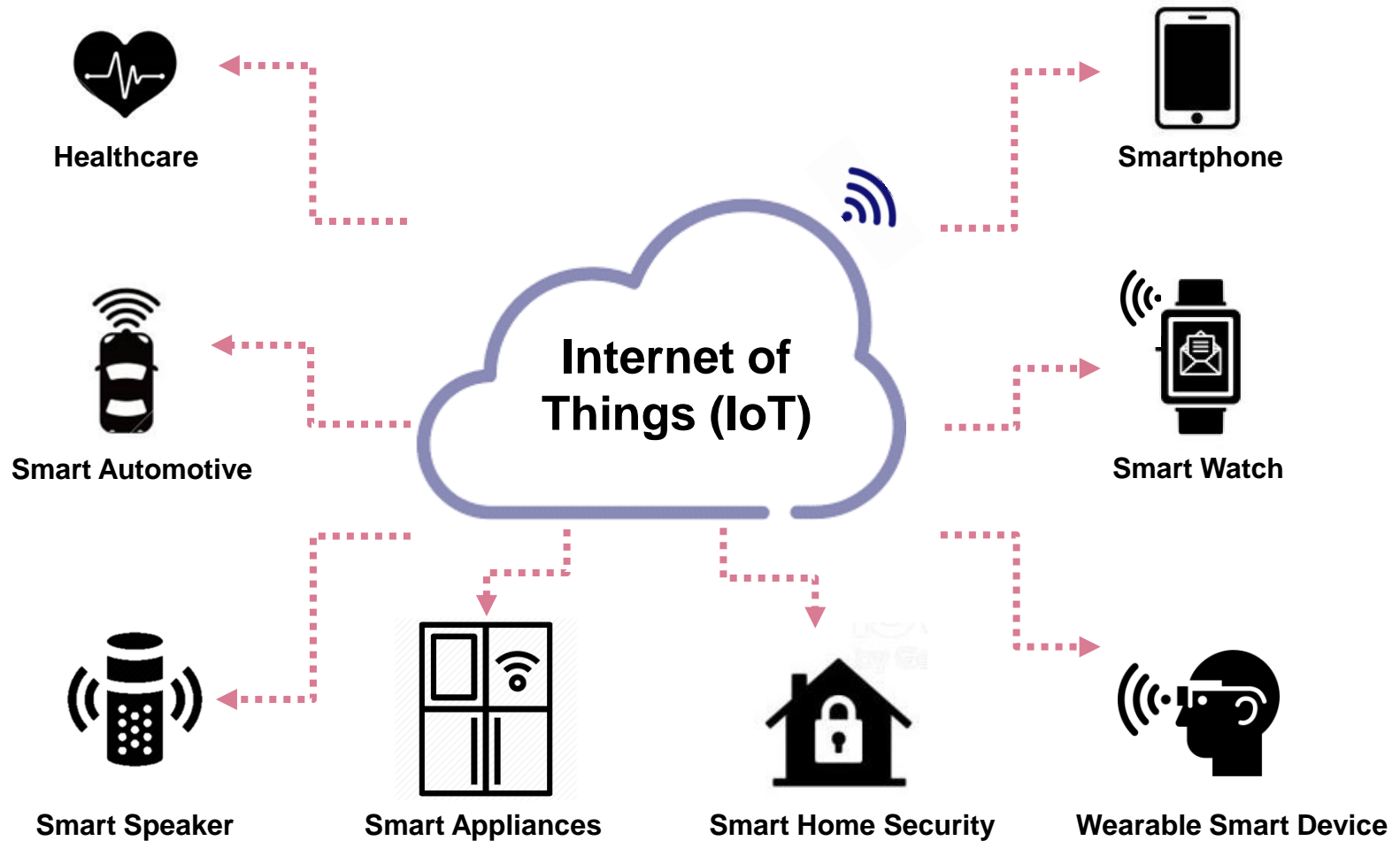
Tri-proof (Waterproof, Shockproof, Dustproof) and High-precision Component



*<https://www.apple.com/supplier-responsibility/pdf/Apple-Supplier-List.pdf>

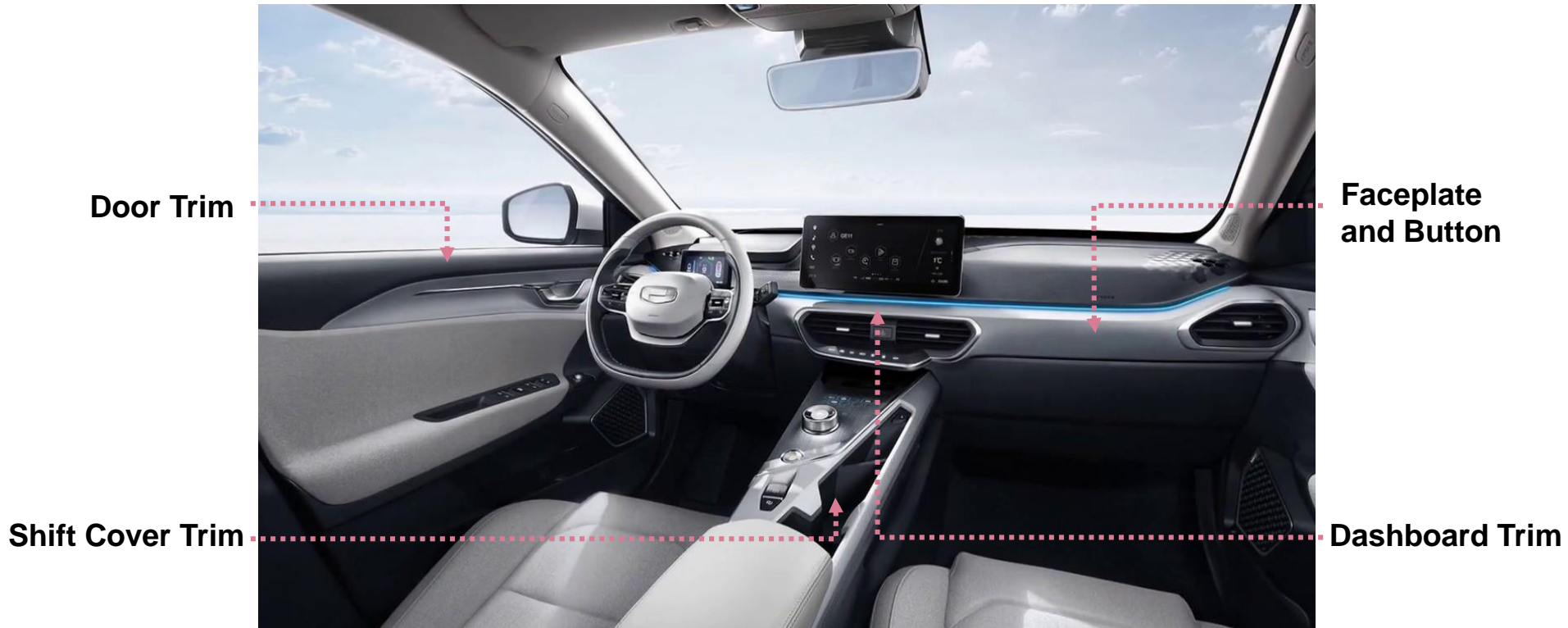
Source: ifixit.com, patently apple, China Industry Information, Moqie.com, macrumors

5G Development Focus - Internet of Things (IoT)



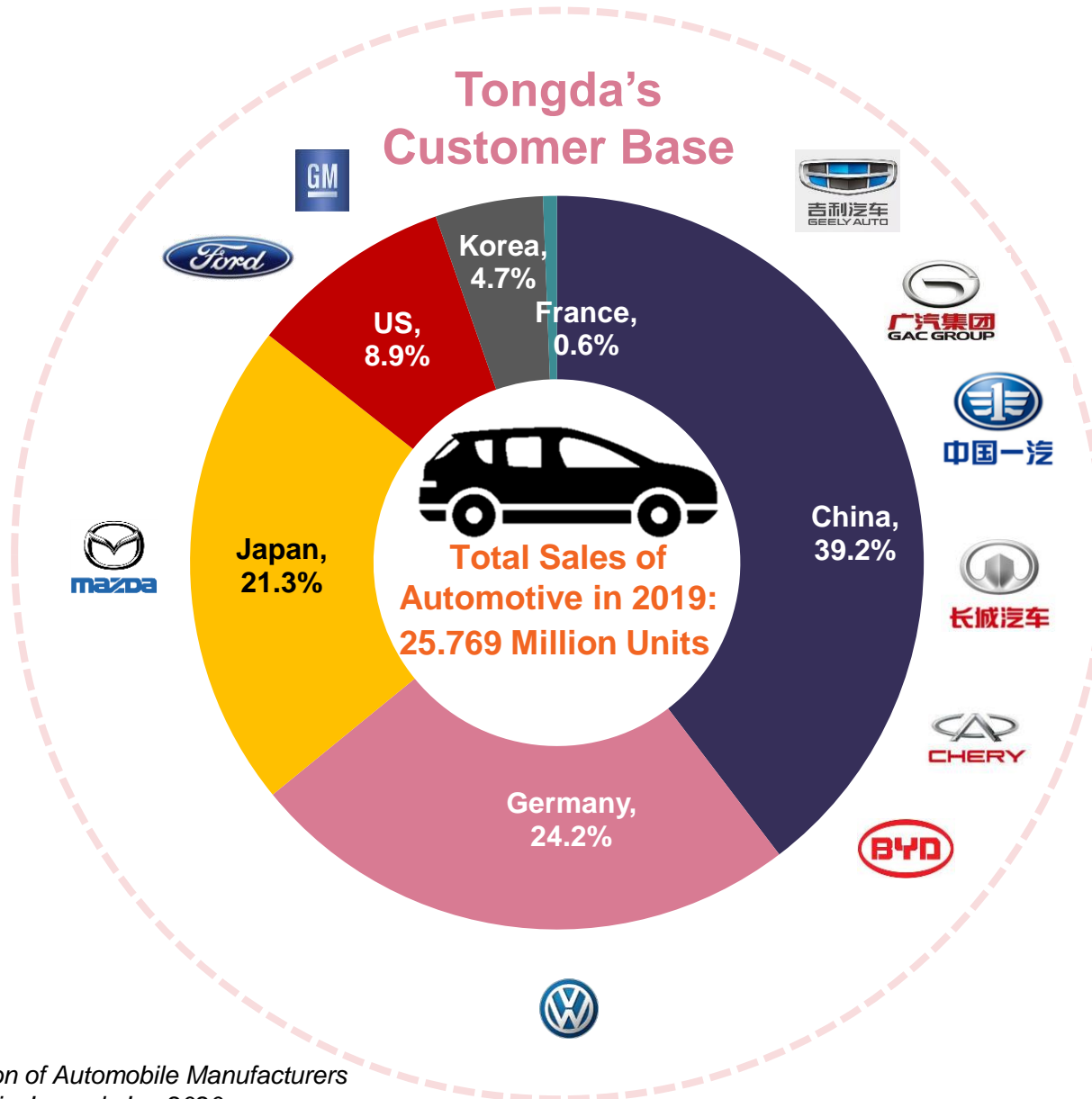
Automotive

Create Synergies of Core Technologies



Source: Chery Automobile

Market Share of Respective Automotive in China



Other Business

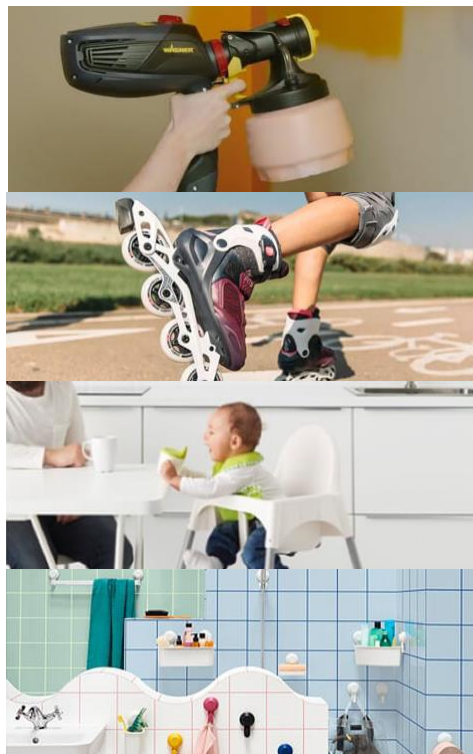
Smart Electrical Appliances Casings



Products Include:

- Touch Control Panel for Smart Devices
- Panels for Electrical Appliances

Household & Sports Goods



Products Include:

- Durable Household Goods
- Household Decoration Equipment
- Sports Accessories

Network Communication Facilities and Others



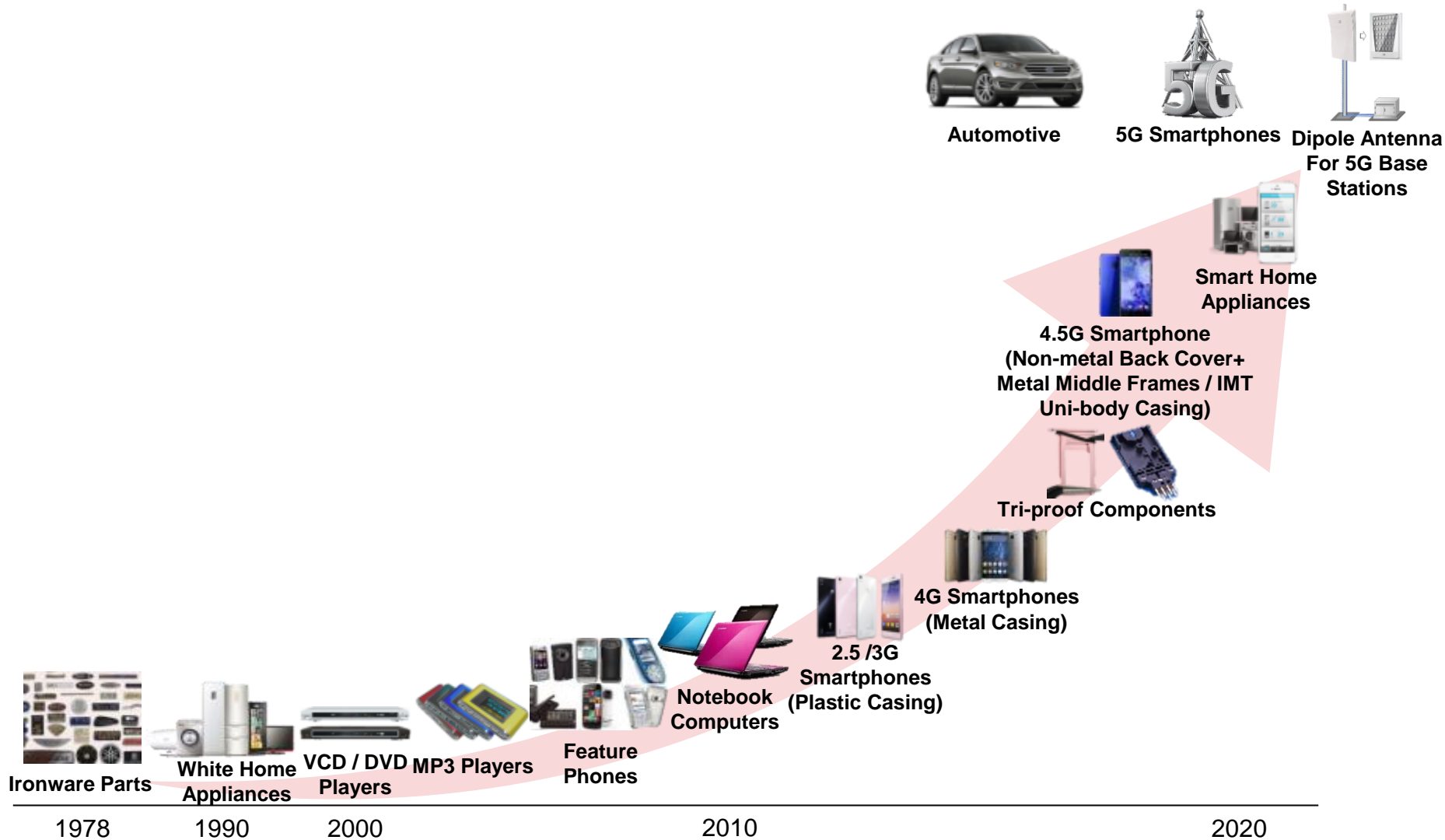
Products Include:

- Automotive Interior Decorative Parts
- POS Machines
- High-end Set-top Boxes/ Routers
- 5G Base Station Dipole Antenna

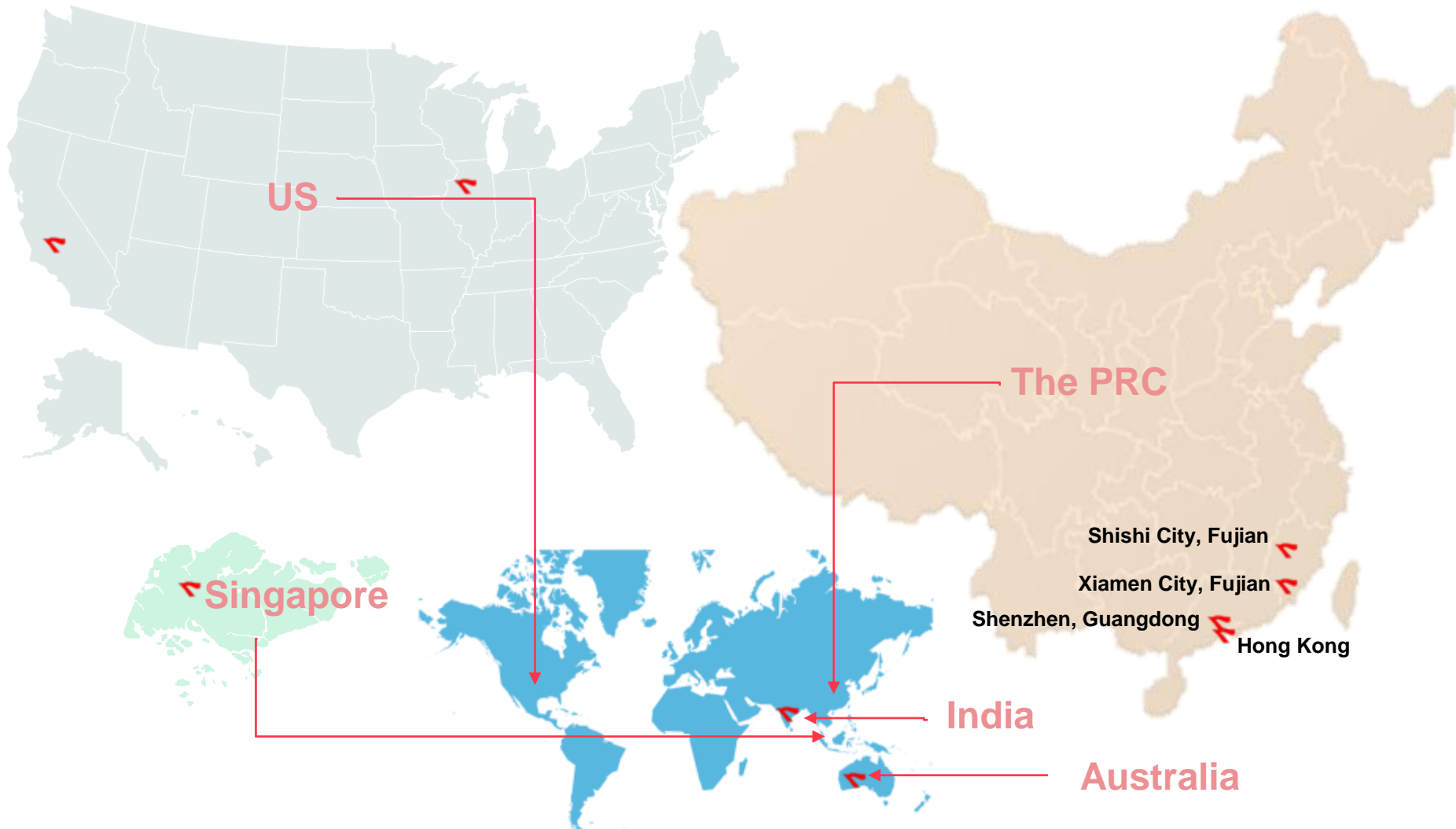
Appendix

Group's Development Milestones

Group's Major Products at Different Development Stages



Group's Footprint



Forward-Looking Statement

FORWARD LOOKING STATEMENT: *This presentation contains “forward-looking statements” which are statements that refer to expectations and plans for the future and include, without limitation, statements regarding Tongda’s future results of operations, financial condition or business prospects as well as other statements based on projections, estimates and assumptions. In some cases, these statements can be identified by terms such as “expect,” “intend,” “plan,” “believe,” “estimate,” “may,” “will,” “should” and comparable words (including the negative of such words).*

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Thank you!

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