

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## TONGDA GROUP HOLDINGS LIMITED

通達集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 698)

### BUSINESS UPDATE OPERATING POSITION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

This announcement is made by Tongda Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby presents the operating performance for the nine months ended 30 September 2020 (the “**Period**”) to shareholders of the Company and potential investors. Despite the fact that the global consumer market was affected by the epidemic and precautionary measures during the Period, based on the unaudited consolidated management accounts of the Group, the turnover during the Period reached HK\$6,667 million, which is comparable to the corresponding period of last year. During the Period, handset casings and high-precision components business accounted for the total turnover continued to increase to 78.1%, which is higher than that of 76.6% for the corresponding period of last year.

Turnover	For the period ended 30 September				Changes
	2020		2019		
	HK\$ million	Proportion (%)	HK\$ million	Proportion (%)	
Top five customers	4,536	68.0%	4,514	67.4%	0.5%
– Handsets	4,403	66.0%	4,367	65.2%	0.8%
– Non-handsets	133	2.2%	147	2.2%	(9.5%)
Other customers	2,131	32.0%	2,185	32.6%	(2.5%)
Total	6,667	100.0%	6,699	100.0%	(0.5%)

During the Period, the launch of a series of new 5G handset models by a major international customer of the Group has drawn considerable market attention. The Group continues to provide various high-precision components such as Metal Injection Molding (MIM) parts, rubber molding, liquid silicone components and precise injection parts for a series of new handset models. Although the launching time of its new handset models is slightly later than the previous year, their shipments and gross profit margin are higher than expected. At the same time, the delay in the product upgrade of the Group due to the epidemics in the first half of the year has gradually resumed in the second half of the year, which drives the overall gross profit margin to bottom out as compared to the first half of the year. The proportion of the sales of 3D and uni-body Glastic casings, of which the Group has put the most effort in development, continues to increase and gradually replaces the previous version of 2.5D Glastic casings, which is expected to bring positive impact on the Group's gross profit.

Currently, the Group has a customer base that covers the world's top six mobile phone brands and owns a full range of casing solutions. Taking into account that the total shipment volume of smartphone across the world has been affected by the epidemics, the business of the Group during the Period remained satisfactory and the shipment volume was in line with expectations. The Group will strive to seek different cooperation opportunities with more leading international technology brands, develop more innovative and competitive products while deepening and consolidating good business relationships with new and existing customers in order to optimise the value of various businesses.

By Order of the Board  
**Tongda Group Holdings Limited**  
**Wang Ya Nan**  
*Chairman*

Hong Kong, 27 October 2020

*As at the date of this announcement, the Board comprises Mr. Wang Ya Nan, Mr. Wang Hung Man, Mr. Wong Ming Sik, Mr. Wong Ming Yuet and Mr. Hui Wai Man as executive Directors; Ms. Chan Sze Man as non-executive Director; and Dr. Yu Sun Say, GBM, GBS, SBS, JP, Mr. Cheung Wah Fung, Christopher, SBS, JP and Mr. Ting Leung Huel Stephen as independent non-executive Directors.*