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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

- The Group's revenue for the six months ended 30 June 2025 was approximately HK\$2,483,216,000, representing a slight decrease of approximately 0.5% as compared with the adjusted revenue (excluded the revenue contribution from the disposed high-precision business) for the six months ended 30 June 2024.
- The Group's profit attributable to owners of the Company for the six months ended 30 June 2025 was approximately HK\$63,421,000, representing an increase of approximately 393.9% as compared with that for the six months ended 30 June 2024.
- Basic earnings per share for the six months ended 30 June 2025 was HK0.65 cents, representing an increase of approximately 400.0% as compared with that for the six months ended 30 June 2024.
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025.

The board (the “Board”) of directors (the “Directors”) of Tongda Group Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 (the “Period”) together with comparative figures for the corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

| | | Unaudited | |
|--|--------------|---------------------------------|-----------------|
| | | Six months ended 30 June | |
| | | 2025 | 2024 |
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| REVENUE | 4 | 2,483,216 | 2,986,005 |
| Cost of sales | | (2,119,826) | (2,361,167) |
| Gross profit | | 363,390 | 624,838 |
| Other income and gains, net | | 74,305 | 70,575 |
| Selling and distribution expenses | | (25,252) | (32,246) |
| General and administrative expenses | | (309,410) | (655,541) |
| Net gain on disposal of subsidiaries | 7(a) | – | 146,420 |
| Other operating income/(expenses), net | | 14,630 | (16,205) |
| Finance costs | | (25,413) | (75,001) |
| Share of losses of associates | | – | (5,864) |
| PROFIT BEFORE TAX | 5 | 92,250 | 56,976 |
| Income tax expense | 6 | (8,665) | (20,680) |
| PROFIT FOR THE PERIOD | | 83,585 | 36,296 |
| Attributable to: | | | |
| Owners of the Company | | 63,421 | 12,842 |
| Non-controlling interests | | 20,164 | 23,454 |
| | | 83,585 | 36,296 |

CONDENSED CONSOLIDATED INCOME STATEMENT *(Continued)*

| | | Unaudited | |
|--|-----------|---------------------------------|----------------------------|
| | | Six months ended 30 June | |
| | | 2025 | 2024 |
| <i>Notes</i> | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| | <i>10</i> | | |
| – Basic | | <u>HK0.65 cents</u> | <u>HK0.13 cents</u> |
| – Diluted | | <u>HK0.65 cents</u> | <u>HK0.13 cents</u> |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited | |
|--|---------------------------------|------------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| PROFIT FOR THE PERIOD | <u>83,585</u> | <u>36,296</u> |
| OTHER COMPREHENSIVE EXPENSE | | |
| Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods: | | |
| Loss on property revaluation | (4,708) | (3,871) |
| Deferred tax credited to the asset revaluation reserve | <u>781</u> | <u>473</u> |
| | <u>(3,927)</u> | <u>(3,398)</u> |
| Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | | |
| – subsidiaries | 71,964 | (189,640) |
| – associates | – | (2,025) |
| Release of exchange reserve upon disposal of subsidiaries | <u>–</u> | <u>58,671</u> |
| | <u>71,964</u> | <u>(132,994)</u> |
| OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD, NET OF TAX | <u>68,037</u> | <u>(136,392)</u> |
| TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD | <u>151,622</u> | <u>(100,096)</u> |
| ATTRIBUTABLE TO: | | |
| Owners of the Company | 115,673 | (107,868) |
| Non-controlling interests | <u>35,949</u> | <u>7,772</u> |
| | <u>151,622</u> | <u>(100,096)</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | Unaudited 30 June 2025 HK\$'000 | Audited 31 December 2024 HK\$'000 |
|--|--------------|--|--|
| | <i>Notes</i> | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 11 | 2,013,019 | 2,003,124 |
| Right-of-use assets | | 358,089 | 346,910 |
| Intangible assets | 11 | 8,125 | 8,276 |
| Investment properties | | 126,915 | 122,979 |
| Long term deposits | | 50,764 | 44,067 |
| Time deposits | | 124,829 | 171,156 |
| Deferred tax assets | | 21,057 | 19,883 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 2,702,798 | 2,716,395 |
| | | <hr/> | <hr/> |
| CURRENT ASSETS | | | |
| Inventories | 12 | 655,299 | 713,839 |
| Trade and bills receivables | 13 | 2,092,168 | 2,118,531 |
| Prepayments, deposits and other receivables | | 196,186 | 143,869 |
| Amount due from a jointly-controlled entity | | – | 8,376 |
| Tax recoverable | | 389 | 8,675 |
| Financial assets at fair value through profit or loss ("FVTPL") | 14 | 284,034 | 310,596 |
| Time deposits | | 63,434 | 43,844 |
| Pledged deposits | | 264,093 | 249,519 |
| Cash and cash equivalents | | 892,935 | 840,592 |
| | | <hr/> | <hr/> |
| Total current assets | | 4,448,538 | 4,437,841 |
| | | <hr/> | <hr/> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

| | | Unaudited 30 June 2025 <i>HK\$'000</i> | Audited 31 December 2024 <i>HK\$'000</i> |
|--|--------------|---|---|
| | <i>Notes</i> | | |
| CURRENT LIABILITIES | | | |
| Trade and bills payables | 15 | 2,294,756 | 2,525,086 |
| Accrued liabilities and other payables | | 431,306 | 488,532 |
| Interest-bearing bank and other borrowings | | 661,298 | 547,963 |
| Lease liabilities | | 4,882 | 1,992 |
| Tax payable | | 94,578 | 96,945 |
| | | <hr/> | <hr/> |
| Total current liabilities | | 3,486,820 | 3,660,518 |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 961,718 | 777,323 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 3,664,516 | 3,493,718 |
| | | <hr/> | <hr/> |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing bank borrowings | | 448,829 | 432,394 |
| Other payables | | 85,107 | 89,052 |
| Lease liabilities | | 31,824 | 23,101 |
| Deferred tax liabilities | | 43,609 | 44,328 |
| | | <hr/> | <hr/> |
| Total non-current liabilities | | 609,369 | 588,875 |
| | | <hr/> | <hr/> |
| Net assets | | 3,055,147 | 2,904,843 |
| | | <hr/> | <hr/> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

| | Unaudited | Audited |
|---|-------------------------|------------------------|
| | 30 June | 31 December |
| | 2025 | 2024 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| EQUITY | | |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | |
| Share capital | 97,356 | 97,356 |
| Reserves | <u>2,631,517</u> | <u>2,508,162</u> |
| | <u>2,728,873</u> | <u>2,605,518</u> |
| NON-CONTROLLING INTERESTS | <u>326,274</u> | <u>299,325</u> |
| Total equity | <u>3,055,147</u> | <u>2,904,843</u> |

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands.

The registered office address of the Company is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands. The principal place of business of the Company and its subsidiaries is at room 1201 – 02, 12th Floor, Shui On Centre, 6 – 8 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are manufacture and sale of components of handset casings and high-precision components, smart electrical appliances casings, household and sports goods and network communications facilities and others. There were no significant changes in the nature of the subsidiaries' principal activities during the Period.

2. BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standards ("HKASs") No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking.

The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on these Interim Financial Statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable segments as follows:

- (a) the consumer electronics structural components segment consists of handset casings and high-precision components, panels for smart electrical appliances, network communications facilities and other electrical consumer products; and
- (b) the household and sports goods segment consists of durable household goods, household utensils and sports goods.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income and gains, net, corporate and other unallocated expenses, non-lease-related finance costs and share of losses of associates are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, amount due from a jointly-controlled entity, pledged deposits, cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by reportable and operating segments:

| | Consumer electronics structural components | | Household and sports goods | | Consolidated | |
|--|---|---------------|-------------------------------|---------------|---------------|----------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Segment revenue: | | | | | | |
| Sales to external customers | 1,902,809 | 2,478,496 | 580,407 | 507,509 | 2,483,216 | 2,986,005 |
| Segment results before depreciation | 107,597 | 366,670 | 82,816 | 80,833 | 190,413 | 447,503 |
| Depreciation of property, plant and equipment | (94,253) | (297,018) | (29,154) | (22,174) | (123,407) | (319,192) |
| Depreciation of right-of-use assets | (5,542) | (5,873) | (2,044) | (1,903) | (7,586) | (7,776) |
| Amortisation of intangible assets | (380) | (389) | – | – | (380) | (389) |
| Segment results | <u>7,422</u> | <u>63,390</u> | <u>51,618</u> | <u>56,756</u> | <u>59,040</u> | <u>120,146</u> |
| Unallocated income | | | | | 74,305 | 70,575 |
| Corporate and other unallocated expenses | | | | | (16,555) | (53,834) |
| Finance costs (other than interest expenses on lease liabilities) | | | | | (24,540) | (74,047) |
| Share of losses of associates | | | | | – | (5,864) |
| Profit before tax | | | | | 92,250 | 56,976 |
| Income tax expense | | | | | (8,665) | (20,680) |
| Profit for the period | | | | | <u>83,585</u> | <u>36,296</u> |

4. OPERATING SEGMENT INFORMATION *(Continued)*

| | Unaudited 30 June 2025 | | |
|-------------------------|---|---|---|
| | Consumer electronics structural components <i>HK\$'000</i> | Household and sports goods <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
| Segment assets | 4,372,703 | 1,600,159 | 5,972,862 |
| Unallocated assets | | | 1,178,474 |
| Total assets | | | 7,151,336 |
| Segment liabilities | 2,495,922 | 351,953 | 2,847,875 |
| Unallocated liabilities | | | 1,248,314 |
| Total liabilities | | | 4,096,189 |
| | 31 December 2024 | | |
| | Consumer electronics structural components <i>HK\$'000</i> | Household and sports goods <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
| Segment assets | 4,453,580 | 1,573,611 | 6,027,191 |
| Unallocated assets | | | 1,127,045 |
| Total assets | | | 7,154,236 |
| Segment liabilities | 2,750,254 | 377,509 | 3,127,763 |
| Unallocated liabilities | | | 1,121,630 |
| Total liabilities | | | 4,249,393 |

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

| | | Unaudited Six months ended 30 June | | | | | | | | | |
|--|--|---------------------------------------|------------------|---------------------------------|----------------|---------------|--------------|----------------|----------------|------------------|------------------|
| | | PRC* | | Asia Pacific (excluding PRC) | | United States | | Others | | Consolidated | |
| | | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue from customers | | | | | | | | | | | |
| Segment revenue: | | | | | | | | | | | |
| Sales to external customers [#] | | <u>1,765,475</u> | <u>2,317,515</u> | <u>258,260</u> | <u>253,473</u> | <u>5,795</u> | <u>6,028</u> | <u>453,686</u> | <u>408,989</u> | <u>2,483,216</u> | <u>2,986,005</u> |

The revenue information above is based on the locations of the customers.

* The People's Republic of China (the "PRC") including Hong Kong and Macau.

[#] Sales to external customers include revenue from contracts with customers.

Information about major customers

Revenue from the following customers contributed over 10% of the total sales to the Group:

| | | Unaudited Six months ended 30 June | |
|------------|--|---------------------------------------|----------------|
| | | 2025 | 2024 |
| | | HK\$'000 | HK\$'000 |
| Customer A | | N/A | 381,029 |
| Customer B | | <u>357,927</u> | <u>304,210</u> |
| | | <u>357,927</u> | <u>685,239</u> |

Revenues from Customer A and B were mainly derived from sales by the consumer electronics structural components segment, including sales to a group of entities which are known to be under common control of the respective customers.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

| | Unaudited | |
|--|---------------------------------|-----------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Depreciation of property, plant and equipment | 123,407 | 319,192 |
| Depreciation of right-of-use assets | 7,586 | 7,776 |
| Amortisation of intangible assets | 380 | 389 |
| Research and development costs | 120,473 | 372,080 |
| Salaries and wages | 561,299 | 666,761 |
| Impairment of trade receivables | 1,801 | 899 |
| Reversal of impairment of trade receivables | (4,405) | (12) |
| Provision against inventories | 5,680 | 3,398 |
| Foreign exchange differences, net | (26,630) | 11,541 |
| Loss/(gain) on disposal/written-off of items of property, plant and equipment | (5,614) | 1,914 |
| Fair value loss/(gain) on investment properties | (430) | 3,194 |
| Interest income | (7,337) | (15,175) |

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period, except for Tongda Precision Technology Company Limited (“Tongda Precision Technology”), a wholly-owned subsidiary of the Company, which is a qualifying entity under the two-tier profits tax rates regime. The first HK\$2,000,000 of assessable profits of Tongda Precision Technology are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Pursuant to the Corporate Income Tax Law of the PRC being effective on 1 January 2008, the corporate income tax rate for all enterprises in Mainland China is 25%.

During the six months ended 30 June 2025 and 2024, certain subsidiaries of the Group were subject to a preferential tax rate of 15% under High New Technology Enterprises.

| | Unaudited | |
|---------------------------------|---------------------------------|----------------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Current – Hong Kong | <u>323</u> | <u>3,287</u> |
| Current – Elsewhere | <u>10,017</u> | <u>20,377</u> |
| Deferred | <u>(1,675)</u> | <u>(2,984)</u> |
| Total tax charge for the period | <u>8,665</u> | <u>20,680</u> |

7. DISPOSAL OF SUBSIDIARIES

- (a) On 22 December 2023, Tongda Precision Technology Company Limited, a wholly-owned subsidiary of the Company as a seller (the “Seller”), an independent third party as a purchaser (the “Purchaser”), and the Company as the guarantor, entered into a business transfer agreement (the “BTA”) whereby the Group agreed to dispose of the business of manufacturing high-precision micro components (the “High Precision Business”) as currently conducted by the Group for a consideration of HK\$2,015,000,000 (the “High Precision Disposal”). The High Precision Disposal was completed on 3 April 2024 (the “Closing Date”). Further details of the disposal were set out in (i) the announcement dated 22 December 2023; (ii) the circular dated 19 February 2024; and (iii) the announcement dated 3 April 2024.

The followings are the assets and liabilities in respect of the “High Precision Business” and its subsidiaries at the Closing Date:

| | <i>HK\$'000</i> |
|---|------------------|
| Net assets disposed of: | |
| Property, plant and equipment | 734,867 |
| Right-of-use assets | 32,583 |
| Inventories | 698,991 |
| Trade and other receivables, deposits and prepayments | 908,960 |
| Tax recoverable | 8,580 |
| Bank balances and cash | 105,895 |
| Lease liabilities | (31,701) |
| Trade and other payables | (732,277) |
| Bank borrowings | (117,115) |
| | <u>1,608,783</u> |

Gain on disposal of subsidiaries

| | <i>HK\$'000</i> |
|---|-----------------|
| Consideration received | 1,904,250 |
| Cash consideration receivable included in other receivables (i) | 110,750 |
| Net assets disposed of | (1,608,783) |
| Release of exchange fluctuation reserve | (58,671) |
| | <u>347,546</u> |
| Gain on disposal of subsidiaries | 347,546 |
| Transaction costs directly related to the disposal | (53,037) |
| Income tax expense | (148,089) |
| | <u>146,420</u> |
| Net gain on disposal of subsidiaries | <u>146,420</u> |

7. DISPOSAL OF SUBSIDIARIES *(Continued)*

(a) *(Continued)*

Gain on disposal of subsidiaries *(Continued)*

Unaudited
30 June 2024
HK\$'000

| | |
|--|-----------|
| Consideration received in cash and cash equivalents and receivable | 2,015,000 |
|--|-----------|

Net cash inflow on disposal of subsidiaries

Unaudited
30 June 2024
HK\$'000

| | |
|---|-----------|
| Consideration received in cash and cash equivalents | 1,904,250 |
| Less: | |
| Cash and cash equivalents of subsidiary disposed of | (142,841) |
| Withholding tax paid | (146,883) |

| | |
|--|-----------|
| Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries, net of tax | 1,614,526 |
|--|-----------|

- (i) Cash consideration of HK\$110,750,000 (the “Retention Amount”) to be received was included in prepayment, deposits and other receivables of the condensed consolidated statement of financial position as at 30 June 2024, which was transferred by the Purchaser to an escrow account on Closing Date. The Retention Amount, after deducting a reasonable estimate of the amount of any outstanding claim by the Purchaser (if any)(“Outstanding Claim”), shall be paid out to the Seller and/or the Purchaser in accordance with the joint written instructions of the Seller and the Purchaser on the first business day falling on or after 180 days from the Closing Date. The amount of the Outstanding Claim shall be retained in the escrow account and be paid out in accordance with the joint written instructions of the Seller and the Purchaser after such claim is resolved in accordance with the BTA.

8. BUSINESS COMBINATION

On 22 December 2023, Tongda Intelligence (BVI) Co Limited, an indirect wholly-owned subsidiary of the Company, as the purchaser, and Tongda Group (Asia) Limited, as the vendor, entered into the sale and purchase agreement (the “Sale and Purchase Agreement”), pursuant to which the purchaser has conditionally agreed to purchase, and the vendor has conditionally agreed to sell all issued shares of Credence Technology Limited (“Target Company”), a company incorporated in the British Virgin Islands with limited liability, at the consideration of HK\$60,000,000, subject to the terms and conditions as set out in the Sale and Purchase Agreement. The vendor is owned as to 25% each by Mr. Wang Ya Nan, Mr. Wang Ya Hua, Mr. Wong Ah Yu and Mr. Wong Ah Yeung, being controlling shareholders and connected persons of the Company.

Pursuant to the Sale and Purchase Agreement, the vendor guarantees to the purchaser that the audited consolidated earnings before interest, taxes, depreciation and amortisation (“EBITDA”) of the Target Company will not be less than HK\$12,000,000 for the financial year ended 31 December 2024. If the actual audited consolidated EBITDA of the Target Company for the financial year ended 31 December 2024 as shown in the audited consolidated financial statements of the Target Company for the year ended 31 December 2024 is less than HK\$12,000,000, then the vendor shall pay to the purchaser in cash within seven days after the delivery of such financial statements an amount calculated.

The acquisition was made as part of the Group’s strategy to expand and create synergy with the existing electrical appliances business. The acquisition was completed on 3 January 2024 and the consideration was satisfied by the payment of the cash of HK\$60,000,000. Further details of the acquisition was set out in Company’s announcement dated 22 December 2023.

Acquisition-related costs

Acquisition-related costs of HK\$1,459,000 that were not directly attributable to the issue of shares are included in administrative expenses in the condensed statement of income statement and in operating cash flows in the condensed statement of cash flows.

The assets acquired and liabilities assumed by the Group in the acquisition reflected the fair values based on management’s analysis, including work performed by independent professional valuer.

8. BUSINESS COMBINATION *(Continued)*

The following is a summary of the fair values of the assets acquired and liabilities assumed as at the acquisition date:

| | Fair value <i>HK\$000</i> |
|--|------------------------------|
| Net identifiable assets acquired: | |
| Property, plant and equipment | 81,445 |
| Customer relationship (included in intangible assets) | 9,388 |
| Financial assets at fair value through profit or loss | 7,020 |
| Inventories | 40,668 |
| Trade and other receivables | 75,122 |
| Tax recoverable | 1,322 |
| Cash and cash equivalents | 8,305 |
| Bank borrowings | (59,324) |
| Trade and other payables | <u>(103,946)</u> |
| Net identifiable assets acquired | 60,000 |
| Total consideration satisfied by cash | <u>60,000</u> |
| Net cash outflow arising on acquisition: | |
| Cash consideration paid | (60,000) |
| Cash and cash equivalents acquired | <u>8,305</u> |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | <u>(51,695)</u> |

(i) Revenue and profit contribution

The Target company and its subsidiaries contributed HK\$160,994,000 and HK\$3,010,000 to the Group's revenue and profit for the period between the date of acquisition and 30 June 2024, respectively.

9. DIVIDENDS

At the board meeting held on 22 August 2025, the Board did not recommend the payment of any interim dividend for the Period (six months ended 30 June 2024: nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

| | Unaudited | |
|--|--------------------------|------------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Profit | | |
| Profit for the purpose of basic and diluted earnings per share | <u>63,421</u> | <u>12,842</u> |
| | '000 | '000 |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share | <u>9,735,607</u> | <u>9,735,607</u> |

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2025 as no potential dilutive ordinary shares in issue.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2024 in respect of a dilution of the award shares as certain conditions under the share award scheme not yet fully satisfied as of the reporting period.

11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the Period, the Group has addition of property, plant and equipment of HK\$88,253,000 (30 June 2024: HK\$330,174,000) in which HK\$nil (30 June 2024: HK\$81,445,000) was through the acquisition of subsidiaries. During the Period, the Group disposed of certain items of property, plant and equipment with net book value of HK\$6,108,000 (30 June 2024: HK\$286,796,000) in which, HK\$nil (30 June 2024: HK\$277,562,000) was through the disposal of subsidiaries and, the other of HK\$6,108,000 (30 June 2024: HK\$9,234,000) for proceeds of HK\$11,722,000 (30 June 2024: HK\$7,320,000). The Group incurred revaluation deficit of HK\$1,281,000 (30 June 2024: revaluation surplus of HK\$532,000) and depreciation expenses of HK\$123,407,000 (30 June 2024: HK\$319,192,000) during the Period. In addition, exchange realignment of HK\$52,438,000 (30 June 2024: HK\$119,325,000) was debited (30 June 2024: credited) to property, plant and equipment.

At 30 June 2025, the Group's leasehold building and the related right-of-use asset in Hong Kong were revalued at the end of the reporting period based on valuations performed by Asset Appraisal Ltd., an independent firm of professionally qualified valuers, at HK\$38,200,000 (31 December 2024: HK\$43,400,000). In the opinion of the directors, the current use of the leasehold building in Hong Kong and the related right-of-use asset is its highest and best use.

A revaluation deficit of HK\$4,708,000 (30 June 2024: HK\$3,871,000), resulting from the above valuation, has been debited to other comprehensive income. The resulting decrease in deferred tax liability of HK\$781,000 (30 June 2024: HK\$473,000) arising from the revaluation has also been credited to other comprehensive income.

11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS *(Continued)*

The Group's leasehold buildings and the related right-of-use assets in Hong Kong and Mainland China with net carrying amount of HK\$646,918,000 (31 December 2024: HK\$569,668,000) were pledged to secure banking facilities granted to the Group.

During the Period, the Group has addition of intangible assets of HK\$nil (30 June 2024: HK\$9,388,000 through acquisition of subsidiaries) and incurred amortisation expenses of HK\$380,000 (30 June 2024: HK\$389,000). During the Period, the exchange realignment of HK\$229,000 (30 June 2024: HK\$263,000) was debited (30 June 2024: credited) to the intangible assets.

As at 30 June 2025, the Group's management assessed whether there is any impairment indication among the segment of consumer electronics structural components which engaged in the manufacture and sale of components for smart mobile communication and other electrical consumer products for the period then ended, and estimated the recoverable amounts of the property, plant and equipment, the right-of-use assets, the intangible assets and the long term deposits of the segment (collectively as the "Assets Under Review"). Based on the value-in-use calculation, no written down of the carrying amounts were required for the Assets Under Review to their estimated recoverable amounts (31 December 2024: an impairment loss of HK\$1,972,624,000 was recognised in the consolidated income statement to write down the carrying amount of the property, plant and equipment to their recoverable amount of HK\$1,697,990,000). The estimated recoverable amounts of the cash generated units were determined by valuations performed by Royson Valuation Advisory Limited, an independent firm of professionally qualified valuer with more than 12 years of experience in business valuation and derivatives valuation in a range of industries, including construction, education, electronics and electrical equipment, health care, financial services, information technology, e-commerce. The valuation is performed based on value-in-use calculations using discounted cash flow analysis under income approach based on financial forecast covering a period of the remaining useful lives of these assets. Value-in-use is the present value of the future cash flows expected to be derived from an asset or a CGU; and a CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The compound annual growth rates on the five-year revenue growth following the year ended 30 June 2025 ranged from 1.5% to 5.2% (31 December 2024: 2.2% to 9.2%) were applied in the cash flow projections. The revenue growth rates were mainly estimated with reference to the combination of: (i) the estimated revenue of core customers; (ii) the forecasted sale orders from core customers; (iii) the historical sales records of the Group; (iv) the outlook from the management of the Group on the future operating environment; and (v) the operating strategy of the Group. Cash flows beyond the projection period are extrapolated using an estimated growth rate of 2% (31 December 2024: 2%) per annum with reference to the market forecasted long-term inflation rates in the Mainland China. The pre-tax discount rates applied to the cash flow projections ranged from 13.6% to 16.3% (31 December 2024: 10.2% to 16.2%). The discount rates applied were calculated by the cost of equity and cost of debt with reference to the ratio of the companies with similar industries and public data such as risk-free rate of the Mainland China.

12. INVENTORIES

| | Unaudited 30 June 2025 HK\$'000 | Audited 31 December 2024 HK\$'000 |
|------------------|--|--|
| Raw materials | 161,284 | 157,212 |
| Work in progress | 159,334 | 180,300 |
| Finished goods | 334,681 | 376,327 |
| | <u>655,299</u> | <u>713,839</u> |

As at 30 June 2025, moulds of HK\$19,539,000 (31 December 2024: HK\$22,634,000) are included in the finished goods.

13. TRADE AND BILLS RECEIVABLES

| | Unaudited 30 June 2025 HK\$'000 | Audited 31 December 2024 HK\$'000 |
|-----------------------|--|--|
| Trade receivables | 1,411,801 | 1,515,435 |
| Impairment allowances | (23,220) | (25,378) |
| | <u>1,388,581</u> | <u>1,490,057</u> |
| Bills receivables | 703,587 | 628,474 |
| | <u>2,092,168</u> | <u>2,118,531</u> |

It is the general policy of the Group to allow a credit period of one to three months. In addition, for certain customers with long-established relationships and good repayment histories, a longer credit period may be granted in order to maintain a good relationship. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management. Trade receivables are non-interest bearing. At the end of the reporting period, 16.1% (31 December 2024: 18.3%) and 35.6% (31 December 2024: 37.8%) of the total trade and bills receivables were due from the Group's largest customer and the five largest customers, respectively.

13. TRADE AND BILLS RECEIVABLES *(Continued)*

An ageing analysis of the Group's trade and bills receivables as at 30 June 2025, based on the invoice date and issuance date, is as follows:

| | Unaudited 30 June 2025 <i>HK\$'000</i> | Audited 31 December 2024 <i>HK\$'000</i> |
|----------------------------|--|--|
| Within 3 months | 1,613,812 | 1,976,360 |
| 4 to 6 months, inclusive | 361,855 | 138,970 |
| 7 to 9 months, inclusive | 119,539 | 5,499 |
| 10 to 12 months, inclusive | 4,274 | 2,775 |
| More than 1 year | 15,908 | 20,305 |
| | <hr/> | <hr/> |
| | 2,115,388 | 2,143,909 |
| Impairment allowances | (23,220) | (25,378) |
| | <hr/> | <hr/> |
| | 2,092,168 | 2,118,531 |
| | <hr/> | <hr/> |

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

Financial assets at fair value through profit or loss ("FVTPL") represented the structured deposits at banks and fund investments. Changes in fair values of financial assets at FVTPL are recorded in "other income and gains – net" in the condensed consolidated income statement.

15. TRADE AND BILLS PAYABLES

| | Unaudited 30 June 2025 HK\$'000 | Audited 31 December 2024 HK\$'000 |
|----------------|--|--|
| Trade payables | 1,264,981 | 1,527,152 |
| Bills payable | 1,029,775 | 997,934 |
| | <u>2,294,756</u> | <u>2,525,086</u> |

The trade payables are non-interest bearing and are normally settled on 60 to 90 days' terms. An ageing analysis of the Group's trade and bills payables as at 30 June 2025, based on the invoice date and issuance date, is as follows:

| | Unaudited 30 June 2025 HK\$'000 | Audited 31 December 2024 HK\$'000 |
|----------------------------|--|--|
| Within 3 months | 1,691,085 | 1,821,013 |
| 4 to 6 months, inclusive | 560,006 | 656,634 |
| 7 to 9 months, inclusive | 16,334 | 18,873 |
| 10 to 12 months, inclusive | 4,427 | 3,645 |
| More than 1 year | 22,904 | 24,921 |
| | <u>2,294,756</u> | <u>2,525,086</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 June 2025 (the “Period”), the Group’s total revenue was HK\$2,483.2 million, representing a decrease of HK\$502.8 million or 16.8%, from HK\$2,986.0 million in the corresponding period last year. Profit attributable to owners of the Company increased from approximately HK\$12.8 million in the corresponding period last year by 395.3% or HK\$50.6 million to approximately HK\$63.4 million for the Period.

Revenue

The Group’s revenue decreased by approximately 16.8%, from approximately HK\$2,986.0 million in the corresponding period last year to approximately HK\$2,483.2 million for the Period. The decrease was primarily attributable to the deconsolidation of the revenue and results of the high-precision components business on 3 April 2024 (the “Closing Date”) following its disposal. Excluding the sales contribution of this disposed business in the corresponding period last year, revenue of the Group for the Period would only decrease slightly by approximately 0.5% year-on-year when compared with the adjusted revenue in the corresponding period last year.

Gross Profit and Margin

The Group’s gross profit decreased by approximately 41.8%, from approximately HK\$624.8 million in the corresponding period last year to approximately HK\$363.4 million for the Period. The Group’s gross profit margin was approximately 14.6% for the Period, which was approximately 6.3 percentage points lower than that in the corresponding period last year of approximately 20.9%.

Apart from the impact of intense market competition, the disposal of high-precision components business, which was a high-margin business, led to the decline in both gross profit and gross profit margin of the Group for the Period when compared to the corresponding period last year. The revenue and earnings of this disposed business ceased to consolidate into the consolidated financial statements of the Group since the Closing Date. However, the impairment of fixed assets performed at end of 2024 resulted in a substantial decrease in depreciation expenses for the Period, which partially offset the reduction in gross profit and margin.

Other income and gains, net

Other income and gains, net increased by approximately 5.2% or approximately HK\$3.7 million from approximately HK\$70.6 million in the corresponding period last year to approximately HK\$74.3 million for the Period mainly because the increase in rental income from the disposed high-precision components business where the Group leased certain plants to the disposed business since the Closing Date. The increase in other income and gains, net was partially reduced by the decrease in interest income earned during the Period when compared to the corresponding period last year.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 21.4% or approximately HK\$6.9 million from approximately HK\$32.2 million in the corresponding period last year to approximately HK\$25.3 million for the Period, accounting for approximately 1.0% of the Group's revenue, which is similar to the corresponding period last year of 1.1%. The decrease was in line with the decrease in turnover of the Group.

General and administrative expenses

General and administrative expenses decreased by approximately 52.8% or approximately HK\$346.1 million from approximately HK\$655.5 million in the corresponding period last year to approximately HK\$309.4 million for the Period, accounting for approximately 12.5% of the Group's revenue, which was approximately 9.5 percentage points lower than that in the corresponding period last year of 22.0%.

The decrease in general and administrative expenses was mainly due to the decrease in the research and development (the "R&D") expenses for the Period. Following the completion of the disposal of the high-precision components business on the Closing Date, the Group ceased to incur any R&D expenditures related to this business thereafter. Coupled with the Group's disciplined development strategy focusing R&D resources on its core businesses, and the new materials and products developed at clients' request last year have commenced gradual rollout. These factors collectively contributed to a substantial decrease in the Group's R&D costs for the Period when compared to the same period last year.

In addition, the Group's early repayment of a significant portion of long-term bank loans in 2024 led to significant decrease in bank charges for the Period when compared to the same period last year.

Other operating income/(expenses), net

The Group recorded net other operating income of approximately HK\$14.6 million for the Period, compared with net other operating expenses of approximately HK\$16.2 million in the corresponding period last year mainly as a result of the exchange gain of HK\$26.6 million recorded during the Period, where exchange loss of HK\$11.5 million was recorded in the corresponding period last year.

Finance costs

Finance costs decreased by approximately 66.1% or approximately HK\$49.6 million from approximately HK\$75.0 million in the corresponding period last year to approximately HK\$25.4 million for the Period. The decrease was mainly because of the early repayment of a significant portion of long-term bank loans by the Group in 2024, which led to significant decrease in finance costs for the Period when compared to the corresponding period last year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group derives its working capital mainly from cash on hand, net cash generated from operating activities and interest-bearing bank and other borrowings. The Board expects that the Group will rely on net cash generated from operating activities, interest-bearing bank and other borrowings and equity financing, if considered as appropriate by the management of the Company, to meet its working capital and other capital expenditure requirements. There were no change in the funding and financial policies of the Group for the six months ended 30 June 2025.

As at 30 June 2025, the Group has cash and cash equivalents of HK\$1,629.3 million (including time deposits, structured deposits, bank deposits, pledged bank deposits, and cash) (31 December 2024: HK\$1,615.7 million), of which HK\$264.1 million (31 December 2024: HK\$249.5 million) has been pledged to banks as security for trade financing granted.

As at 30 June 2025, 76.9% (31 December 2024: 81.5%) of the Group's cash and bank balances was denominated in Renminbi ("RMB"), 11.5% (31 December 2024: 6.0%) was denominated in United States dollars ("US Dollars") and 11.6% (31 December 2024: 12.5%) was denominated in other currencies (mainly Hong Kong dollars).

As at 30 June 2025, the Group had total assets of HK\$7,151.3 million (31 December 2024: HK\$7,154.2 million), net current assets of HK\$961.7 million (31 December 2024: HK\$777.3 million) and equity of HK\$3,055.1 million (31 December 2024: HK\$2,904.8 million).

CAPITAL EXPENDITURE

The total capital expenditure incurred for the Period was HK\$88.3 million (31 December 2024: HK\$454.0 million), which was mainly for the additions of property, plant and equipment for expansion of its household and sports goods segment.

TREASURY POLICY

The Group's sales were principally denominated in RMB and US Dollars while purchases were principally transacted in RMB. The Group will continue to monitor its overall foreign exchange exposure and interest rate exposure, and consider hedging against the exposure should the need arises.

CHARGES ON GROUP ASSETS

The Group has pledged 1) bank deposits amounting to HK\$264.1 million (31 December 2024: HK\$249.5 million); 2) the Group's leasehold building and the related right-of-use assets in Hong Kong and Mainland China with carrying amount of approximately HK\$646.9 million (31 December 2024: HK\$569.7 million); and 3) 17.2 million issued shares (31 December 2024: 17.2 million) of Tongda Smart Tech (Xiamen) Co., Limited ("Tongda Chuang Zhi"), a non-wholly owned subsidiary of the Group, whose shares were listed on the Main Board of Shenzhen Stock Exchange (stock code: SZ001368). Save as disclosed above, the Group had not pledged its assets to any financial institutions.

HUMAN RESOURCES

As at 30 June 2025, the Group employed a total of approximately 9,000 (30 June 2024: 10,000) permanent employees in Hong Kong and the PRC. The total salaries and wages for the six months ended 30 June 2025 amounted to HK\$561.3 million (30 June 2024: HK\$666.8 million).

The Group offers remuneration packages for employees mainly based on their performance and experiences, and with reference to prevailing industry practices. In addition to enrolling our new employees into the mandatory provident fund scheme in Hong Kong and state-managed pension scheme in Mainland China and making contributions for them on a periodic basis, the Group also provides medical coverage, internal and external training programs and grants share awards and discretionary bonuses to employees based on employees' individual performance and the Group's overall performance. The Group reviews the remuneration policies and packages on a regular basis.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

On 22 December 2023, Tongda Precision Technology Company Limited, a wholly-owned subsidiary of the Company as a seller, an independent third party as a purchaser, and the Company as the guarantor, entered into a business transfer agreement whereby the Group agreed to dispose of the business of manufacturing high-precision micro components as currently conducted by the Group for a consideration of HK\$2,015,000,000. The disposal was completed on 3 April 2024.

On 22 December 2023, Tongda Intelligence (BVI) Co Limited, an indirect wholly-owned subsidiary of the Company, as the purchaser, and Tongda Group (Asia) Limited, as the vendor, entered into the sale and purchase agreement, pursuant to which the purchaser has conditionally agreed to purchase, and the vendor has conditionally agreed to sell all issued shares of Credence Technology Limited, a company incorporated in the British Virgin Islands with limited liability, at the consideration of HK\$60,000,000, subject to the terms and conditions as set out in the sale and purchase agreement. The vendor is owned as to 25% each by Mr. Wang Ya Nan, Mr. Wang Ya Hua, Mr. Wong Ah Yu and Mr. Wong Ah Yeung, being controlling shareholders and connected persons of the Company. The acquisition was completed on 3 January 2024.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Period.

GEARING RATIO AND INDEBTEDNESS

As at 30 June 2025, the gearing ratio of the Group (consolidated net debt (includes interest-bearing bank and other borrowings, less cash and cash equivalents, pledged deposits, structured deposits, fund investments and time deposits)/total equity) was N/A (31 December 2024: N/A).

As at 30 June 2025, other than the non-current portion of bank borrowings of HK\$448.8 million (31 December 2024: HK\$432.4 million), the Group had bank and other borrowings of HK\$661.3 million (31 December 2024: HK\$548.0 million) which will be repayable within one year from the end of the Period. The bank and other borrowings were denominated in RMB and Hong Kong dollars.

Bank borrowings carry interest rate ranging from 1.8% per annum (“p.a.”) to 7.0% p.a. (31 December 2024: from 1.8% p.a. to 7.9% p.a.).

BUSINESS REVIEW

As a leading global solutions provider of high-precision structural components for smart mobile communications and consumer products, the Group provides one-stop solution to customers, starting from product design, R&D to manufacturing. Our products mainly cover handset casings, panels for smart electrical appliances, network communications facilities, and household and sports goods.

Following the completion of the disposal of the high-precision components business on the Closing Date, the Group has ceased to consolidate the revenue from this business into its consolidated financial statements thereafter. Affected by this business adjustment, the Group's revenue was approximately HK\$2,483.2 million for the Period, representing approximately 16.8% decrease from HK\$2,986.0 million in the corresponding period last year. However, when excluding the revenue contribution from the disposed high-precision components business from the total revenue for the corresponding period last year, the Group's revenue for the Period slightly decreased by 0.5% compared to the adjusted revenue for the corresponding period last year.

The profit attributable to owners of the Company was HK\$63.4 million for the Period, representing an increase of approximately 395.3% compared with HK\$12.8 million for the corresponding period last year. The increase in profit is mainly due to:

- (i) the early repayment of a significant portion of long-term bank loans by the Group in 2024, which led to significant decrease in finance costs and bank charges for the Period when compared to the corresponding period last year;
- (ii) following the completion of the disposal of the high-precision components business on the Closing Date, the Group ceased to incur any R&D expenditures related to this business. Coupled with the Group's disciplined development strategy focusing R&D resources on its core businesses, and the new materials and products developed at clients' request last year have commenced gradual rollout. These factors collectively contributed to a substantial decrease in the Group's R&D costs for the Period when compared to the corresponding period last year; and

- (iii) despite the impact of intense market competition, the disposal of high-precision components business, which was a high margin business, has led to the decline in both gross profit and gross profit margin of the Group for the Period when compared to the corresponding period last year. The revenue and earnings of this disposed business ceased to be consolidated into the consolidated financial statements of the Group since the Closing Date. However, the impairment of fixed assets performed at end of 2024 resulted in a substantial decrease in depreciation expenses for the Period, which partially offset the reduction in gross profit and margin.

The increase in profit for the Period was partially offset by the absence of a one-off net gain of approximately HK\$146.4 million from the disposal of the high-precision components business recorded by the Group during the corresponding period last year, whereas no gain of this nature was recorded for the Period.

BUSINESS SEGMENTS

The Group is organised into business units based on their products and services and has two reportable segments:

(a) Consumer Electronics Structural Components

consists of manufacturing of components of handset casings and high-precision components, panels for smart electrical appliances, network communications facilities and other electrical consumer products.

(b) Household and Sports Goods

consists of durable household goods, household utensils and sports goods.

Consumer Electronics Structural Components

This segment recorded sales of approximately HK\$1,902.8 million for the Period, accounting for approximately 76.6% of the Group's total revenue, representing a 23.2% decrease compared to approximately HK\$2,478.5 million in the corresponding period last year. Excluding the sales contribution from the disposed high-precision components business in the corresponding period last year, the segment's revenue for the Period decreased by 4.3% against the adjusted revenue in the corresponding period last year.

According to IDC's analytical report, China's smartphone market registered shipments of 140 million units during the Period, reflecting a year-on-year decline of 0.6%. Recent adverse factors—including tariff volatility, currency fluctuations, rising unemployment in multiple countries, and regional inflation—have suppressed consumer willingness to upgrade devices and related expenditures. The impact has been particularly pronounced in the entry-level and low-end smartphone segments, where economic uncertainties have more significantly dampened overall market growth momentum.

Recognising that smartphone market recovery will require further time, during the Period, the Group actively deployed operational capital and human resources released from the disposal of the high-precision components business, focused on integrating and optimising existing business operations spanning smartphone casings, smart appliance enclosures, and networking equipment.

The Group's smart electrical appliances business primarily supplies domestic brands with electrical control panels, metal components, and housings. The network communications facilities business produces casings and precision components for wireless routers and other networking products for prominent brands in Europe, America, and China. Notably, the Group's newly established networking equipment facility in Vietnam commenced production during the Period to accommodate overseas client demand. Despite intense market competition, the Group continues to enhance production capacity utilisation and customer loyalty through technological innovation and close collaboration with core clients.

Household and Sports Goods

This business segment recorded sales of approximately HK\$580.4 million during the Period, representing a 14.4% increase from HK\$507.5 million in the corresponding period last year and accounting for approximately 23.4% of the Group's total revenue. The division primarily manufactures household durable goods, home tools, sporting goods, and health care products for established international brands in Europe and America. During the Period, it actively expanded its client portfolio by securing new contracts with globally leading brands across specialised sectors while deepening relationships with core customers, establishing new business partnerships with multiple mega-sized consumer brand clients. Concurrently, the segment advanced its international manufacturing footprint through the newly operational Industry 4.0 facility in Malaysia. This strategic initiative has significantly enhanced production efficiency to meet growing customer demand.

The percentages of total revenue by product category for the Period and a comparison with the corresponding period last year are as follows:

| | 2025 | 2024 |
|---|--------------|--------------|
| i. Consumer electronics structural components | 76.6% | 83.0% |
| ii. Household and sports goods | <u>23.4%</u> | <u>17.0%</u> |

PROSPECTS

Following the successful completion of its business restructuring, the Group has achieved sustained improvement in its balance sheet structure, establishing a robust foundation for future sustainable development. Despite persistent global economic headwinds, the Group's stable financial position, ample liquidity, and agile operational strategies position it to capitalise on emerging opportunities and propel business growth into a new phase.

In the smartphone sector, as smartphone brands increasingly prioritise practical applications and daily user experience in their technological innovations, generative AI has accelerated as a core driver enhancing device value. Although such functional innovations remain nascent, the Group has established longstanding, robust partnerships with multiple global smartphone leaders. Leveraging advanced technological capabilities and product innovation, we actively co-develop next-generation smartphone casings and accessories with clients, deepening collaborative ties and strengthening customer loyalty. This positions the Group to jointly capture the next wave of growth opportunities with our partners.

Concurrently, the Group continues optimising its product portfolio. While maintaining focus on mid-to-high-end segments, we pioneer applications of novel materials and advanced manufacturing processes to meet evolving consumer demands. Notably, our proprietary glass fiber composite casings are gaining traction among major brands—delivering premium aesthetics with ultra-light transparency while outperforming in impact resistance. This innovation aligns perfectly with market needs for casing materials that strike an optimal balance between strength and weight, particularly as brands adopt higher-capacity batteries.

The household and sports goods division is entering a prime growth phase, driven by continuous enhancement of our “Product Design + Smart Manufacturing” ecosystem and synergistic development of “Plastics + Metal Components” capabilities. Our competitive strength spans three key sectors: sports/outdoor equipment, home living products, and healthcare items—all benefiting from consumer premiumization trends and China’s smart manufacturing advancement. Moreover, the relatively stable U.S. tariff policies toward Southeast Asia enhance predictability for orders fulfilled through our Malaysia and Vietnam facilities, creating further growth momentum for this division. Beyond maintaining close partnerships with existing mega-sized consumer brand clients in Europe and America, the Group is actively forging strategic alliances with additional global consumer brands to expand its geographic diversification. Capitalizing on our core competencies in material innovation and mold design, we are driving vertical integration across the supply chain. The newly established facilities are implementing precision manufacturing processes and intelligent transformation initiatives, enabling rapid business scaling and consolidation of our industry leadership position.

Through continuous optimisation of internal management, product quality enhancement, and production efficiency improvements, the Group has effectively maintained market share while boosting capacity utilisation, generating stable momentum for cash flow. Looking ahead, management will monitor market dynamics vigilantly and deepen collaborative ties with core clients. The Group will also leverage innovative technologies and leading-edge processes to further expand into promising business areas and enhance its involvement in new product development. Through efficient customer engagement, precise resource allocation, and continuously optimised manufacturing processes, the Group will fully leverage its R&D and manufacturing strengths to drive sustained long-term growth, unlock asset value, and address future challenges.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operation of the Group as set out in this interim results announcement are historical in nature and past performance is not a guarantee of future performance. This interim results announcement may contain certain statements that are forward-looking or the use of certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board regarding the industry and markets in which it operates. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this interim results announcement of the Company; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

SUPPLEMENTARY INFORMATION

Interim Dividend

The Board does not recommend the payment of any interim dividend for the Period (2024: nil).

Purchase, Sale or Redemption of the Company's Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the Period.

SHARE OPTION AND SHARE AWARD SCHEME

Share option scheme

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 25 June 2013, a share option scheme of the Company (the “2013 Share Option Scheme”) was adopted by the Company which has expired on 24 June 2023 and no further options can be granted thereunder. As at 24 June 2023, there were no outstanding share options under the 2013 Share Option Scheme.

In view of the expiration of the 2013 Share Option Scheme and pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 29 May 2025, a new share option scheme of the Company (the “New Share Option Scheme”) was adopted by the Company. The purpose of the New Share Option Scheme is to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives to the eligible participants and to promote the overall success of the business of the Group. The New Share Option Scheme will give the eligible participants an opportunity to have a personal stake in the Company which will help motivate the eligible participants in optimising their performance and efficiency and attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Pursuant to the terms of the New Share Option Scheme, eligible participants include the employee participants.

The total number of shares which may be issued in respect of all share options which may be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of shares as equivalent to 10% of the issued share capital (excluding treasury shares) of the Company as at the date of approval of the New Share Option Scheme (the “Scheme Mandate Limit”). Share options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. On the contrary, options may be cancelled pursuant to the terms of the New Share Option Scheme. The options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. As at the date of approval of the New Share Option Scheme and 30 June 2025, the total number of shares available for issue under the Scheme Mandate Limit was 973,560,764 and 973,560,764 respectively.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the New Share Option Scheme must be approved by the independent non-executive directors of the Company (excluding an independent non-executive director who is the proposed grantee of the Company).

In addition, any share options are proposed to be granted to an independent non-executive director or a substantial shareholder (as defined in the Listing Rules) or any of their respective associates and if such grant would result in the shares issued and to be issued (including any treasury shares which may be transferred, as applicable) in respect of all share options and awards granted and to be granted (excluding any share options and awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12)-month period up to and including the date of grant representing in aggregate over 0.1% of the total issued shares (excluding any treasury shares), such further grant of share options must be approved by shareholders in a general meeting of the Company with such grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting.

The New Share Option Scheme shall continue in force for the period commencing from the adoption date, and expiring at the close of business on the date which falls ten (10) years after the adoption date, after such period no further share options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any share options granted before its expiry or termination but not yet exercised.

During the Period and up to the reporting date, no share options were granted by the Company under the New Share Option Scheme.

Share Award Scheme Operated By The Company

The Company adopted a share award scheme on 17 January 2022 (the “Share Award Scheme”) under which the Directors may, from time to time, at its absolute discretion select any employee (other than excluded employee) for participation in the Share Award Scheme and determine the number of awarded shares to be awarded to the selected employee(s) at a price per awarded share not less than the higher of:

- (a) the par value of the share of the Company;
- (b) 50% of the closing price of the shares of the Company as quoted on the Stock Exchange on the grant date; and
- (c) 50% of the average of the closing prices of the shares of the Company as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the grant date.

The Board is entitled to impose any conditions, as it deems appropriate with respect to the entitlement of the selected employee to the awarded shares.

The purpose of the Share Award Scheme is to (i) establish a mechanism of “risk sharing and benefit sharing” between middle and senior management and the Group, so that the middle and senior management have the opportunity to share the results of the Group’s strategic development and organisational changes, and attract and retain core talents; (ii) establish an equity reward model linked to the Company’s overall value and personal performance indicators and achieve diversified and long-term rewards for middle and senior management; and (iii) attract suitable personnel for further development of the Group.

The Share Award Scheme shall be valid and effective for a term of 10 years from 17 January 2022 unless terminated earlier by the Board and is administered by the Board and the trustee of the Share Award Scheme. The total number of shares to be awarded under the Share Award Scheme shall not exceed 10% of the total number of issued shares of the Company as at the adoption date of the Share Award Scheme. During the Period, a total of 29,050,000 awarded shares were lapsed due to the unfulfillment of certain vesting conditions, and total issue price paid for these awarded shares were refunded accordingly. Such lapsed awarded shares are available for further grant pursuant to the Share Award Scheme. The number of awards available for grant under the Share Award Scheme as at 1 January 2024, 31 December 2024 and 30 June 2025 was 917,425,764, 928,160,765 and 957,210,765 respectively. The maximum number of shares of the Company which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the shares in issue of the Company from time to time.

The number of shares that may be issued in respect of the awarded shares granted under the Share Award Scheme during the six months ended 30 June 2025 and 2024, being nil and 36,050,000 shares respectively, divided by the weighted average number of shares of the relevant class in issue for the respective period was approximately nil and 0.37%.

As at the date of this announcement, the total number of shares available for issue under the Share Award Scheme was nil (31 December 2024: 29,050,000), representing approximately nil% (2024: 0.30%) of the entire issued share capital of the Company as at the date of this announcement.

Nil awarded shares were granted under the Share Award Scheme during the six months ended 30 June 2025 and 2024.

Share Award Scheme Operated By A Subsidiary

Tongda Chuang Zhi established and approved a restricted A share incentive scheme (“Incentive Scheme”) on 4 January 2024. The Incentive Scheme is designed to provide long-term incentives for middle level managers and above (excluding directors, supervisor, shareholders of Tongda Chuang Zhi who hold over 5% shares in Tongda Chuang Zhi and their direct family members) to deliver long-term shareholder returns.

The Incentive Scheme shall be valid not exceed 60 months from the date of completion of the registration of the first grant of the restricted A shares to the date when all these restricted A shares granted to the selected employee are released from restricted sale or repurchased and canceled. The total number of shares to be awarded under the Incentive Scheme did not exceed 10% of the total number of issued shares of Tongda Chuang Zhi at the announcement date of the Incentive Scheme. The maximum number of shares of Tongda Chuang Zhi which to be awarded to a selected employee under the Incentive Scheme did not exceed 1% of the shares in issue of Tongda Chuang Zhi at the announcement date of the Incentive Scheme. The number of awards available for grant under the Incentive Scheme as at 31 December 2024 and 30 June 2025 was 9,363,056 and 9,415,556 respectively.

Under the Incentive Scheme, 76 participants are granted 1,867,600 restricted A shares with a grant price of HK\$14.31 (equivalent to RMB13.10) per share on 4 January 2024.

On 2 December 2024, the Board of Tongda Chuang Zhi resolved to grant a total of 336,000 restricted A shares to 19 proposed participants under the Incentive Scheme granted on 4 January 2024, as the grant date of the reserved grant, at the grant price of RMB11.65 per share under the reserved grant. Except for 2 proposed participants under the reserved grant (who were granted a total of 29,000 restricted A shares) who voluntarily decided not to participate in the reserved grant, 17 proposed participants under the reserved grant had accepted and subscribed for a total of 307,000 restricted A shares granted to them under the reserved grant. The share registration of those newly issued registered A shares was completed on 27 December 2024 at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

The grant price was determined by not less than the higher of:

- (a) the par value of the share of Tongda Chuang Zhi;
- (b) 50% of the average price of the shares of Tongda Chuang Zhi as quoted on the Main Board of Shenzhen Stock Exchange on 1 day before the grant date; and
- (c) 50% of the average price of the shares of Tongda Chuang Zhi as quoted on the Main Board of Shenzhen Stock Exchange on 120 days before the grant date.

All these shares are restricted for sale until certain service and performance conditions are met.

Corporate Governance

The Company has complied with all the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Part 2 of Appendix C1 to the Listing Rules, throughout the Period, except for the deviations as mentioned below.

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive and Mr. Wang Ya Nan currently holds both positions. The Board believes that vesting the roles of both chairman and chief executive in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies. The current structure is considered to be the most appropriate under specific circumstances.

Audit Committee

The audit committee of the Company (the “AC”) comprises three independent non-executive Directors and one non-executive Director, namely Mr. Ting Leung Huel Stephen (“Mr. Ting”), Dr. Yu Sun Say, Mr. Cheung Wah Fung, Christopher and Ms. Chan Sze Man. Mr. Ting takes the chair of the AC. The term of reference of the AC are aligned with the recommendations as set out in “A Guide for Effective Audit Committee” issued by the Hong Kong Institute of Certified Public Accountants and the CG Code. The AC provides accounting and financial advices and recommendations to the Board as well as monitor and safeguard the independence of external auditors and relevant auditing matters. Also, the AC is responsible for reviewing and supervising the risk management and internal control system of the Group.

The AC and the Company’s auditor had reviewed the unaudited interim results of the Group for the Period prior to the submission to the Board for approval.

Model Code of Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out under Appendix C3 to the Listing Rules (the “Model Code”) as the Company’s code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry of all Directors, that they have fully complied with the required standard set out in the Model Code throughout the Period.

Events after the Period

There were no significant events affecting the Company or any of its subsidiaries after the end of the Period requiring disclosure in this announcement.

Publication of Interim Results Announcement and Interim Report

This announcement is published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's website at <http://www.tongda.com>. The full interim report will be made available on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

Lastly, I would like to thank all the staff and the management team for their hard work during the Period. I would also like to express heartfelt gratitude to all of our customers and suppliers on behalf of the Group, and wish for their continuous supports in the future. We will keep working closely with our shareholders and employees to steer the Group to a more modernised and sophisticated level of operation, through which we aspire to turn to a new chapter in the Group's development.

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

Hong Kong, 22 August 2025

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, GBS, SBS, JP, Mr. Ting Leung Huel, Stephen and Mr. Sze Irons, GBS, BBS, JP as independent non-executive Directors.