



Tonly Electronics Holdings Limited
(Stock Code : 01249)

**Tonly Announces Sales Revenue from Major Products for Second Quarter
and First Half in 2019 (Unaudited)**

(12 July 2019, Hong Kong) **Tonly Electronics Holdings Limited** (“Tonly Electronics” or “the Group”; SEHK stock code: 01249) announced its unaudited sales revenue ended 30 June 2019 for its major products. **The following products do not encompass all of the Group’s business and the information below does not completely reflect the Group’s performance during the period under review.**

Sales revenue of the major products of the Group was approximately HK\$1,903 million for the second quarter in 2019, increased by 19.4% compared with the same period of last year. Sales revenue of the major products of the Group in the first half of the year was HK\$3,444 million, representing a 23.6% rise year-on-year (YoY). The growth was mainly attributable to the Group’s ‘audio products’, ‘headphones’ and ‘ancillary product’ business.

Audio product business has now become the major business segment of the Group, especially in view of the growth of smart speakers and new audio business. Sales revenue for audio products for the second quarter in 2019 rose by 19.9% YoY to approximately HK\$1,420 million. While its sales revenue increased by 24.3% YoY to HK\$2,503 million in the first half of the year.

Sales revenue for headphones for the second quarter in 2019 rose by 55.2% YoY to approximately HK\$224 million. While its sales revenue increased by 71.2% YoY to HK\$421 million in the first half of the year. The Group will continue to enhance its technological development of True Wireless Stereo (TWS) earphones and voice interaction function of earphones in order to increase market share. TWS headsets started to be delivered to customers in bulk shipment.

Sales revenue of video products fell by 38.7% YoY to approximately HK\$82 million for the second quarter in 2019, and it recorded a decrease of 47.8% YoY to HK\$137 million in the first half of the year. The fall was mainly due to the general downturn of the video disc players market.

Sales revenue of IoT Related Products increased by 31.8% YoY to approximately HK\$37 million for the second quarter in 2019, and it recorded a slightly decrease of 2.4% YoY to HK\$78 million in the first half of the year. The decline was mainly due to the impact of exchange rate and structure adjustments of IoT product and the customer. The Group will further expand its efforts in independent R&D and technological innovation and enhance its product competitiveness.

Benefited from the inclusion of component products of Guangdong Regency Optics-Electron Corp, an subsidiary of the Group, into the Group’s revenue of ancillary products in the first quarter of 2019, and the growth of ancillary product business supplementary to the smart products business, sales revenue of ancillary products rose by approximately 35.7% YoY to approximately HK\$141 million for the second quarter in 2019. Sales revenue of the said products in the first half of the year rose by 63.9% YoY to HK\$305 million.

- End -

Unaudited Sales Revenue (HK\$'000)	2019 Q1	2018 Q1	Change YoY (%)	2019 H1	2018 H1	Change YoY (%)
Audio products⁽¹⁾	1,419,762	1,183,851	19.9%	2,502,579	2,012,758	24.3%
Headphones	223,613	144,059	55.2%	421,474	246,131	71.2%
Video products⁽²⁾	81,860	133,561	-38.7%	137,077	262,387	-47.8%
IoT Related products⁽³⁾	37,150	28,179	31.8%	77,677	79,623	-2.4%
Ancillary products⁽⁴⁾	140,665	103,675	35.7%	305,378	186,315	63.9%
Total	1,903,050	1,593,326	19.4%	3,444,185	2,787,214	23.6%

(1) Mainly include smart voice speakers, wireless speakers, soundbars, home theatres, and mini speakers

(2) Mainly include DVD players, BD players, OTT set top boxes (STB), and other products

(3) Mainly include smart plugs, smart gateways and other IoT products

(4) Mainly include fabric covering for external sales, plastic injection structural parts, speakers, wireless modules, and other components

*Partial IoT Related Products sales in 2018 were reclassified to Video products for the reason of product form adjustment.

Note: The above products do not encompass all of the Group's business and the information above does not completely reflect the performance of the Group during the period under review. The above information is unaudited.

About Tonly Electronics

Tonly Electronics Holdings Limited (SEHK stock code: 01249), a high-tech smart products manufacturer with competitive industrial advantages, is principally engaged in the research and development, manufacturing and sales of audio and video products as well as wireless smart interconnectivity products. It is also developing into smart business. The Group is committed to becoming a one-stop smart IoT solutions provider based on the electroacoustic and wireless technologies.

For more information, please visit its website at www.tonlyele.com.

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