



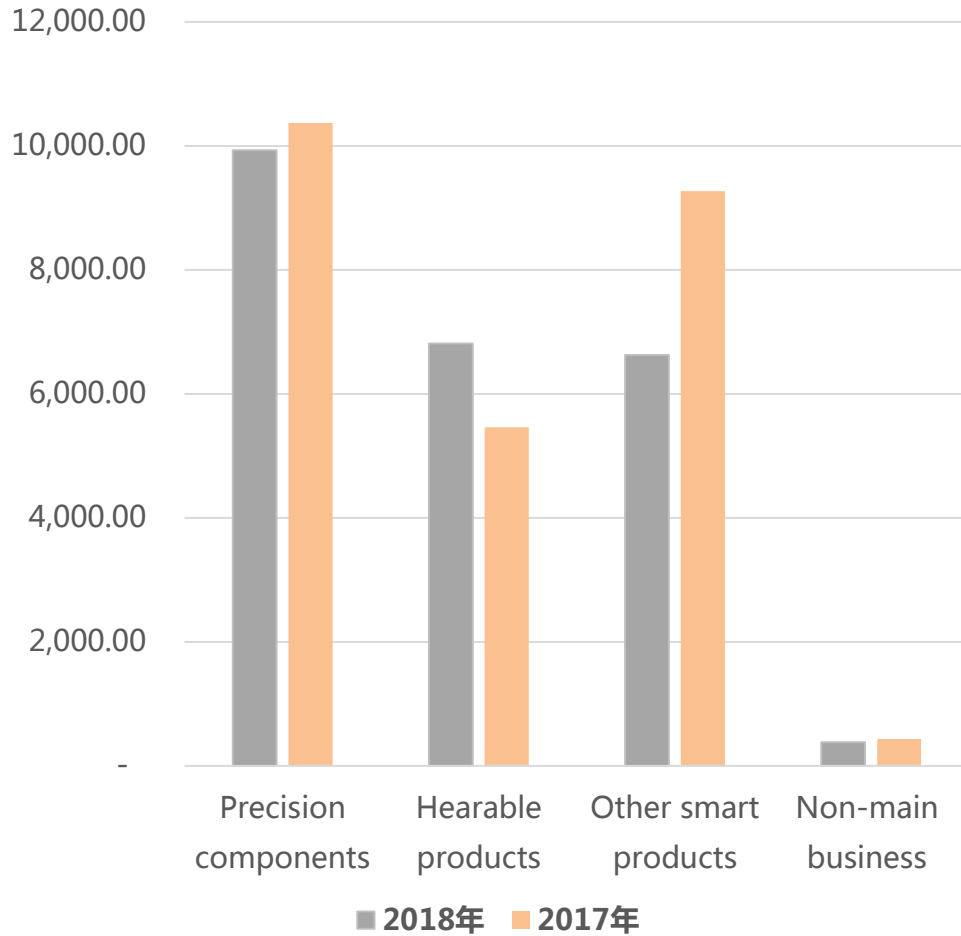
Abstract of Annual Report 2018

Financial Highlights- Main Financial Data

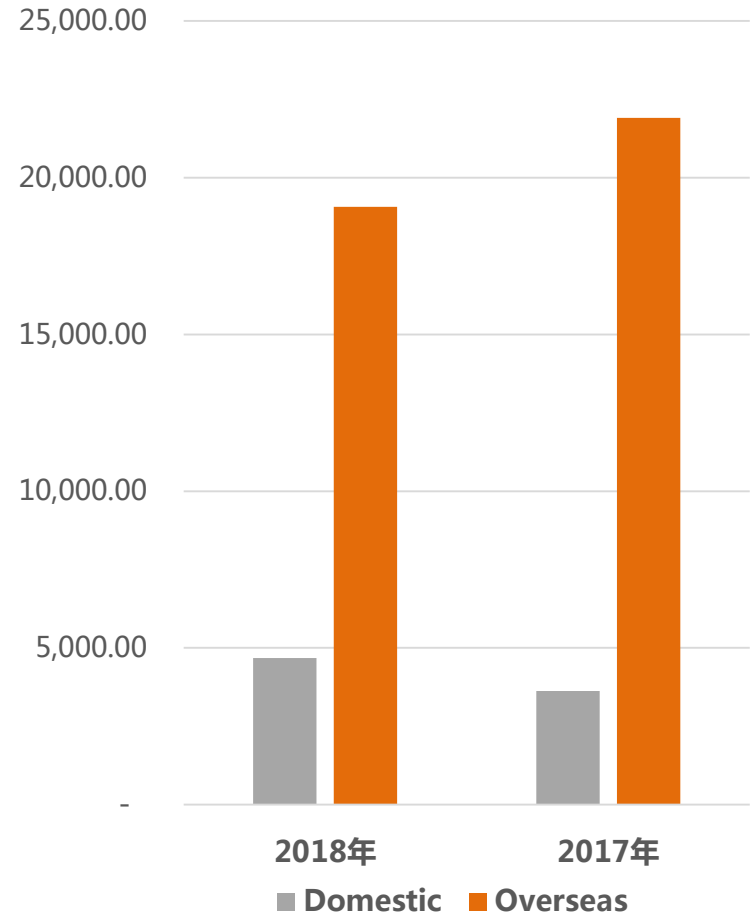
	2018	2017	Changes
Revenue (RMB mn)	23,750.59	23,750.59	-6.99%
Net Profits Attributable to Shareholder of Parent Company(RMB mn)	867.72	2,139.23	-59.44%
Net Cash Generated From Operating Activities(RMB mn)	2,276.41	3,531.00	-35.53%
Basic EPS	0.27	0.68	-60.29%
ROE	5.73%	16.58%	-10.85%
	As at 31 Dec 2018	As at 31 Dec 2017	Changs
Total Assets(RMB mn)	29,742.46	26,570.59	11.94%
Net Assets Attributable to Shareholder of Parent Company(RMB mn)	15,201.28	14,894.65	2.06%

Financial Highlights - Revenue

Revenue by Products



Revenue by Region



Major Shareholders

As of 31 December 2018, the total number of shareholders of Goertek Inc. was 109,115

No	Shareholder	Shareholdings %	Number of Shares Hold
1	Goertek Group Co., Ltd	23.91%	776,045,479
2	Jiang Bin	15.41%	500,101,518
3	Jiang Long	3.16%	102,590,612
4	China Securities Finance Coporation Limited	2.56%	83,044,011
5	Goertek Home No 3 ESOP	1.69%	55,000,000
6	Hong Kong Securities Clearing Company Limited	1.44%	46,758,037
7	Norges Bank	1.29%	41,881,910
8	HuataiSecurities - Goertek "HomeNo 1" ESOP Collective Asset Management	1.28%	41,411,300
9	China Foreign Economy and Trade Trust Co., Ltd - Springs Capital	1.12%	36,197,666
10	Central HuijinAssets Management Ltd	0.97%	31,573,800

1. Industry Leading Capability in Precision and Intelligent Manufacturing

- Continuously improving the machining precision and accuracy
- Realized self-manufacturing of plastic parts, metal parts, diaphragm and other core raw materials
- Precision manufacturing in the fields of Optical lens, Optical-circuit design, VR/AR, Micro-display/Micro-projection, Sensors, Mems, 3D microencapsulation, etc
- Quick and high quality mass production capacity. Won the government support several projects in 2018
- Introduced expertise and integrated peripherals, realized flexible automatic production, to promote the “Smart Manufacturing”

2. Multi-technology integrated R&D platform and competent technical personnel

- Over 6000 competent R&D specialists in our R&D centres that located all over the world
- Established long-term strategic partnerships with world renowned universities and research institutions
- 11,935 patents (4,812 patents for invention, 5,543 patents have been authorized) applied by 31 Dec 2017, of which 4,079 were applied in 2017

3. Continuous innovation and maintenance of key customers

- Constantly optimize the resource distribution to serve for existing quality clients
- Consolidate the core competitive advantage in our smart mobile terminal industry, and looking for new profit growth point from the strategic fields of "Hearable, Viewable, Wearable and Robotics"

4. Executive Management Team and ideally talented personnel/teams.

- Highly qualified and competent leaders that have graduated from renowned universities and from renowned companies.
- Dynamic and rich management experience in many specialty areas in order to stay with the industry trends and to avoid the risks.

1. Industry development trends

Challenges:

- I. According to statistics IDC, global smartphone sales in 2018 decreased by 4.1% compared to 2017.
- II. The improvement in the quality of mobile phones has extended the cycle of consumers changing their phones.
- III. 4G mobile phone market is getting saturant, user growth slows down
- IV. Fierce competition in retain and acquire major customers

Opportunities:

- I. The markets in Southeast Asia, India and Africa are developing rapidly
- II. The advent of the 5G era, the emerge of new forms of smart phones represented by folding screens and curved surfaces ,the development of VR/AR technologies and relevant applications , all these drives the demand for high-precision acoustic devices/accessories, optical displays, high-pixel camera modules, flexible displays and etc, provide broad market prospects and new development opportunities for the company

2. Future development of business strategy

To look for new profit growth opportunity by:

- I. Constantly improving R&D and Manufacturing capabilities, establishing the reputation of “Made by Goertek”
- II. Gradually reducing the OEM business sector, and to focus on the ODM & JDM service
- III. Focusing on the developing of strategic emerging industries such as virtual/augmented reality, smart wearables, smart audio, robotics, etc. with artificial intelligence at the core

- **Business plan for 2019**

- I. Focusing on customer satisfaction, building a rapid response team to maximize customer value.
- II. Continuously improving the organization structure and system to support the rapid implementation of business strategy.
- III. Taking change as a driving force, inspiring and improving organizational capabilities
- IV. Building a lean culture system to promote the operator’ s refined management.

- V. Improving the system of talent selection and appointment to enhance the efficiency of human resources.
- VI. Creating an industry-leading corporate culture and leading the company's healthy development

- **Capital requirements and use plan**

Keep on maintaining the good relationships with banks and other financial institutions. In 2019, We will continuously reduce or avoid the potential liquidity risk and exchange rate risk by using the financial derivatives instruments.

THANK YOU!

