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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)

BUSINESS UPDATE

OPERATING POSITION FOR THE THREE MONTHS ENDED 31 MARCH 2022

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 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 of directors (the “**Board**”) of the Company hereby presents the operating performance for the three months ended 31 March 2022 (the “**Period**”) to shareholders and potential investors of the Company. Based on the unaudited consolidated management accounts of the Group, the turnover of the Period was HK\$2,121 million, decreased by 7.3% as compared to HK\$2,287 million for the corresponding period last year.

	For the period ended 31 March		Changes (%)
	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>	
Top five customers	1,116	1,370	-18.5%
– Handsets	989	1,321	-25.1%
– Non-handsets	127	49	159.2%
Other customers	1,005	917	9.6%
Total	2,121	2,287	-7.3%

Under the impact of current unfavorable factors such as volatile international environment and China's strict epidemic prevention measures, the global smartphone shipment volume recorded a decline in the first quarter of 2022. The production and sales process of certain products of the Group have also been affected. However, the Group actively conducted strategic deployment in recent years and diversified its business focus to non-handset related businesses, which brought new growth drivers to the Group and offset part of the decline in the Group's overall sales caused by handset related business.

The global smartphone market will still be affected by external uncertainties in the short term, posing challenges to the Group's operations. However, by continuously improving its own operational efficiency and dispersing its deployment in non-handset related high-growth industries such as virtual reality/augmented reality ("AR/VR") products, household and sports goods and electric vehicles, the Group can promote the continuous growth of the Group's business in the long run, and improve the Group's gross profit and profit by optimizing the Group's product portfolio.

The Board hereby reminds shareholders and potential investors that the above information were prepared based on the unaudited consolidated management accounts of the Group which have neither been reviewed nor audited by the auditors of the Company. The operational information for the Period may not reflect the overall performance of the Group for a complete reporting period.

Shareholders and potential investors of the Company are advised not to place undue reliance on the aforesaid information and they are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 27 April 2022

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.