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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

The announcement is made by Tongda Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of providing updated information on the business development of the Group to the shareholders and potential investors of the Company.

Memorandum of Understanding on Strategic Cooperation

The board (the “**Board**”) of directors (the “**Director(s)**”) is pleased to announce that on 24 November 2022, the Company entered into a memorandum of understanding on strategic cooperation (the “**MOU**”) with Cornerstone Technologies Holdings Limited (the “**Strategic Partner**”).

Scope of operation

Pursuant to the MOU, the Company and the Strategic Partner intend to collaborate with each other so as to bring mutual benefits to each other, and the collaboration may be in form of, including but not limited to:

1. the Company and the Strategic Partner become official business partners to support each other and to explore the effective use and integration of each other's technologies into the respective solutions being developed and marketed by the Company and the Strategic Partner, especially to facilitate (i) research and development in the advancement of electric vehicle charging station, and (ii) marketing of the use of electric vehicle charging station in Hong Kong and the PRC;
2. possible formation of a joint venture between the Company and the Strategic Partner to incorporate the technologies possessed by both of them into each other's products; and
3. pooling of relevant resources of the parties to establish other cooperative model(s) which aims to maximise each other's benefits.

Term

The MOU shall be effective for a period of 3 years commencing from the date of the execution of the MOU, unless terminated by not less than 6 months' prior written notice to the other party prior to the expiration of the term of the MOU.

Non-legally binding effect

Save for certain clauses regarding, among others, confidentiality, costs and expenses and governing law, the MOU is not legally binding on the Company and the Strategic Partner. The parties to the MOU shall enter into formal written agreements to set out the terms and conditions of the collaboration between the Company and the Strategic Partner.

Reasons and Benefits of the MOU

The Group is a globally leading solution provider of high-precision structural parts for smart mobile communication and consumer electronics products. The Group provides one-stop solution to customers, starting from product design, technical R&D to manufacturing. The Group's products mainly cover handset casings and high-precision components, metaverse-related hardware accessories, household and sports goods, aluminum components of battery for new energy vehicles, network communications facilities and precision structural parts for smart electrical appliances.

The Board consider that the MOU is consistent with the Group’s strategy to explore new business opportunities in “Smart Cities”. In the event of the transactions contemplated under the MOU being materialised, it is expected that the diversification of the investment portfolio and business of the Group will provide a better return to the shareholders of the Company. As such, the Board is of the view that the terms of the MOU are fair and reasonable and entering into the MOU is in the interest of the Company and its shareholders as a whole.

BACKGROUND OF THE STRATEGIC PARTNER

The Strategic Partner is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 8391). The Strategic Partner provides electric vehicle charging solutions. It specialises in supply and installation of a wide range of cornerstone EV chargers, infrastructure, and central management systems, as well as offers printing, typesetting, and translation services to the financial sector.

GENERAL

The MOU only represents a memorandum of understanding between the Company and the Strategic Partner. The implementation of the transactions contemplated under the MOU is subject to formal agreement(s) ultimately being entered into, and may or may not materialise as described in this announcement or at all. Should any formal agreement(s) in relation to the MOU be entered into, the Company will comply with the relevant requirements under the Rules Governing the Listing of Securities on the Stock Exchange, where applicable.

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

Hong Kong, 24 November 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, GBS, SBS, JP and Mr. Ting Leung Huel Stephen as independent non-executive Directors.