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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tongda Group Holdings Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF 70% ENTIRE ISSUED SHARE CAPITAL OF A SUBSIDIARY; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company



A notice convening the EGM to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 28 December 2022 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you intend to attend the EGM (or any adjournment thereof), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, at Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

Please see the section headed "Precautionary Measures for the EGM" in this circular for measures being taken to try to prevent and control the spread of the COVID-19 Pandemic at the EGM.

9 December 2022

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the coronavirus disease 2019 (COVID-19) pandemic and in an attempt to protect the health of our Shareholders who might be attending the EGM, our staff and other participants, the Company will implement the following precautionary measures at the meeting venue:

- (a) Compulsory body temperature checks will be conducted for every Shareholder, proxy and other attendee at the entrance of the meeting venue. Any person with a body temperature of over 37.4 degree Celsius may be denied entry into the meeting venue and be requested to leave the meeting venue.
- (b) Attendees may be required to complete the health declaration forms. Anyone who responds positively to any of the questions in the health declaration form may be denied entry into the meeting venue and be requested to leave the meeting venue.
- (c) Attendees are required to wear surgical face masks throughout the EGM including anytime inside the meeting venue before and after the EGM. Attendees are also advised to maintain social distancing and to observe good personal hygiene.
- (d) No refreshments or drinks will be provided to attendees at the EGM.

Shareholders are reminded that physical attendance at the EGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the EGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the EGM in person by completing and returning the proxy form attached to this document.

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms have the following meanings:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Business Days”	a day (other than any Saturday or Sunday) on which banks in Hong Kong are open to general public for business
“Company”	Tongda Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	a date falling within ten (10) Business Days after all the conditions precedent have been fulfilled or waived, where applicable (or such later date as the parties to the Sale and Purchase Agreement may agree in writing but in any event not later than the Long Stop Date)
“Consideration”	the consideration of HK\$385,000,000 for the Sale Shares payable by the Purchaser to the Vendor under the Sale and Purchase Agreement
“Cornerstone”	Cornerstone Technologies Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8391)
“Director(s)”	director(s) of the Company

DEFINITIONS

“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK Subsidiary”	Tongda New Energy Technology Co., Limited, a company incorporated in Hong Kong and a direct wholly owned subsidiary of the Target Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Latest Practicable Date”	7 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 December 2022
“MOU”	the memorandum of understanding on strategic cooperation entered into on 24 November 2022 between the Company and Cornerstone
“PRC”	the People’s Republic of China

DEFINITIONS

“PRC Subsidiary”	a company to be established in PRC as a direct wholly owned subsidiary of the WFOE as part of the Reorganisation
“Purchaser”	VNE Investment Company Limited, a company incorporated in Hong Kong with limited liability
“Purchaser’s Fund”	a private fund in the form of a limited partnership fund to be set up by the Purchaser for the purpose of holding the Sale Shares
“Reorganisation”	the reorganisation of the Target Group whereby upon the completion of the Reorganisation, the Target Company shall hold 100% of the HK Subsidiary, the HK Subsidiary shall hold 100% of the WFOE and the WFOE shall hold 100% of the PRC Subsidiary and the PRC Subsidiary shall acquire the Target Business
“Sale and Purchase Agreement”	the agreement entered into on 11 November 2022 (after trading hours) between the Vendor and the Purchaser in respect of the Disposal
“Sale Shares”	7,000 shares of the Target Company, representing 70% of the entire issued share capital of the Target Company as at the Latest Practicable Date
“Second Instalment Promissory Note”	the promissory note to be issued by the Purchaser in the principal amount of HK\$150,000,000, representing the second instalment payment of the Consideration
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Target Business”	the manufacturing of interior decorative parts of automotives and the aluminum battery components for electric motor vehicles
“Target Company”	Tongda Overseas Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“Third Instalment Promissory Note”	the promissory note to be issued by the Purchaser in the principal amount of HK\$100,000,000, representing the third instalment payment of the Consideration
“Vendor”	Tong Da Holdings (BVI) Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a direct wholly owned subsidiary of the Company
“WFOE”	a wholly foreign-owned enterprise to be established in the PRC as a direct wholly owned subsidiary of the HK Subsidiary as part of the Reorganisation
“%”	per cent.



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)

Executive Directors:

Mr. Wang Ya Nan (*Chairman*)
Mr. Wang Hung Man (*Vice Chairman*)
Mr. Wong Ming Sik
Mr. Wong Ming Yuet
Mr. Hui Wai Man

Non-executive Director:

Ms. Chan Sze Man

Independent non-executive Directors:

Dr. Yu Sun Say, *GBM, GBS, SBS, JP*
Mr. Cheung Wah Fung, *Christopher, GBS, SBS, JP*
Mr. Ting Leung Huel Stephen,
MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD

Registered address:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
Cayman Islands

*Principal place of business
in Hong Kong:*

Room 1201-02, 12th Floor
Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

9 December 2022

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF 70% OF THE ENTIRE ISSUED SHARE CAPITAL
OF A SUBSIDIARY; AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 11 November 2022 in relation to, among other things, the Disposal.

LETTER FROM THE BOARD

On 11 November 2022 (after trading hours), Tong Da Holdings (BVI) Limited, a direct wholly owned subsidiary of the Company, as the Vendor and VNE Investment Company Limited as the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing 70% of the entire issued share capital of the Target Company as at the Latest Practicable Date, at a consideration of HK\$385,000,000.

As one or more of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) financial information of the Group; (iii) other information as required to be contained in the circular under the Listing Rules; and (iv) the notice of the EGM.

The Sale and Purchase Agreement

Date: 11 November 2022 (after trading hours)

Parties: (i) the Vendor: Tong Da Holdings (BVI) Limited; and
(ii) the Purchaser: VNE Investment Company Limited

The Purchaser is an investment holding company. As at the Latest Practicable Date, the Purchaser is a company incorporated in Hong Kong and is wholly owned by Mr. Chan Tsang Shing.

Mr. Chan Tsang Shing, the ultimate beneficial owner of the Purchaser, has over 16 years of investment management experience and is one of the founders of Rock Hill Asset Management Limited, a corporation licensed to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, with an asset under management (AUM) of over HK\$100 million. Mr. Chan was a director at Cinda International Asset Management Limited and a portfolio manager at Sinopac Asset Management (Asia) Limited. In addition, to the best knowledge, information and belief of the Directors, Mr. Chan's family operated a real property investment business in the PRC and had only ceased in recent years after accumulating profitable return.

LETTER FROM THE BOARD

The Directors, after considering the background and experience of the Mr. Chan and his family, are of the view that the Purchaser has sufficient resources and ability to settle the Consideration in full.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

The Target Company is an investment holding company and the Target Group, after the Reorganisation, is principally engaged in the Target Business.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Shares, being 7,000 shares of the Target Company and representing 70% of the entire issued share capital of the Target Company.

As at the Latest Practicable Date, the Vendor is the sole legal and beneficial owner of the entire issued share capital of the Target Company.

Upon Completion, the Vendor will continue to hold 30% of the entire issued share capital of the Target Company and the Target Group will cease to be subsidiaries of the Company and will instead become associates of the Company. Accordingly, the financial results of the Target Group will no longer be consolidated into the consolidated financial statements of the Group and instead, the Group will share the financial results of the associates.

The Consideration

The Consideration in the aggregate amount of HONG KONG DOLLARS THREE HUNDRED AND EIGHTY FIVE MILLION (HK\$385,000,000) shall be paid and settled by the Purchaser and/or the Purchaser's Fund in the following manner:

- (1) as to HONG KONG DOLLARS ONE HUNDRED AND THIRTY FIVE MILLION (HK\$135,000,000) of the Consideration in cash on the Completion Date;
- (2) as to HONG KONG DOLLARS ONE HUNDRED AND FIFTY MILLION (HK\$150,000,000) of the Consideration by issuing the Second Instalment Promissory Note duly signed by the Purchaser to the Vendor which shall be repayable in one lump sum on 30 March 2023; and
- (3) the balance of HONG KONG DOLLARS ONE HUNDRED MILLION (HK\$100,000,000) by issuing the Third Instalment Promissory Note duly signed by the Purchaser to the Vendor which shall be repayable in one lump sum on 30 June 2023.

LETTER FROM THE BOARD

The Consideration was arrived at after arm's length commercial negotiations between the Vendor and the Purchaser and was determined with reference to, among other things, the unaudited value of assets to be disposed under the Target Group (on the assumption that the Reorganisation had completed on 30 September 2022) as at 30 September 2022 in the amount of approximately HK\$110 million, the financial performance of the Target Group set out in the section headed "**FINANCIAL INFORMATION OF THE TARGET GROUP**" in this circular, the current customer portfolio, the business prospects as well as the factors set out in the section headed "**REASONS FOR AND BENEFITS OF THE DISPOSAL**" in this circular.

In terms of current customer portfolio of the Target Group, the Target Group mainly provides aluminium battery components to domestic electric vehicle battery manufacturers in the PRC. The Target Group also provides interior decorative parts of automotive to the electric vehicle manufacturer in the PRC and other well-known local and sino-foreign invested automotive brands.

In terms of business prospects of the Target Group, the new energy vehicle sector is an expanding market. According to the data published by the China Association of Automobile Manufacturers in 2021, the new energy vehicle sector was the most highlighted sector in the PRC automotive industry, ranking first for 7 consecutive years in terms of its sales volume. The production and sales of new energy vehicles in the PRC in 2021 reached approximately 3.5 million units, respectively, both of which have increased by approximately 1.6 times compared with 2020. The market share of new energy vehicles is approximately 13.4%, which represents an increase of approximately 8.0% compared with 2020. Sales of the automotive business under the new energy vehicle sector in 2021 increased by approximately 43.0% compared with 2020. The Target Business is expected to exhibit a growth rate in line with the market.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholder as a whole.

LETTER FROM THE BOARD

The Second Instalment and Third Instalment Promissory Notes

Pursuant to the Sale and Purchase Agreement, upon Completion, the Purchaser shall issue to the Vendor the Second Instalment Promissory Note and the Third Instalment Promissory Note on the following principal terms:

The Second Instalment Promissory Note

Issuer	:	the Purchaser
Issue date	:	the Completion Date
Principal amount	:	HK\$150,000,000
Issue price	:	100% of the principal amount as set out above
Holder of the promissory note	:	the Vendor
Maturity date	:	30 March 2023
Interest rate	:	nil
Transferability	:	non-transferable
Repayment and redemption	:	the Purchaser may early repay all or part of the outstanding amount by giving not less than 10 business days' notice to the noteholder
Security	:	share charge to be provided by the Purchaser's Fund in favour of the Vendor in respect of the Sale Shares

LETTER FROM THE BOARD

The Third Instalment Promissory Note

Issuer	:	the Purchaser
Issue date	:	the Completion Date
Principal amount	:	HK\$100,000,000
Issue price	:	100% of the principal amount as set out above
Holder of the promissory note	:	the Vendor
Maturity date	:	30 June 2023
Interest rate	:	nil
Transferability	:	non-transferable
Repayment and redemption	:	the Purchaser may early repay all or part of the outstanding amount by giving not less than 10 business days' notice to the noteholder
Security	:	share charge to be provided by the Purchaser's Fund in favour of the Vendor in respect of the Sale Shares

The Directors consider that the settlement terms are on normal commercial terms and fair and reasonable and in the interests of the Group and the Shareholders as a whole, after taking into account that: (i) the Target Group was in a loss making position of approximately HK\$0.8 million and approximately HK\$22.1 million for the years ended 31 December 2021 and 2020, respectively, (ii) the Consideration of HK\$385.0 million is in the interests of the Group, (iii) the Group expects to record a disposal gain in relation to the Disposal, being the disposal of 70% of the entire issued share of the Target Company, in the amount of of approximately HK\$307.8 million before tax (subject to any changes to the unaudited financial information on the Completion Date and the review by the auditors), and (iv) the inclusion of the security by way of share charge over the Sale Shares sufficiently protects the interest of the Group.

LETTER FROM THE BOARD

The Purchaser will execute and deliver to the Vendor the share charge over the Sale Shares simultaneously with the execution and delivery of the Second Instalment Promissory Note and the Third Instalment Promissory Note, which shall occur at Completion. Under the share charge over the Sale Shares, the Purchaser will, upon execution of the share charge, deliver to the Vendor, among other things, the original share certificate of the Sale Shares, the signed but undated instrument of transfer in respect of the Sale Shares, the undated written resolutions of the board of the Target Company approving the transfer of the Sale Shares, the letter of authority duly signed to authorise the Vendor to date the instrument and the relevant board resolutions. In the event that the promissory note(s) is defaulted by the Purchaser, the Vendor will, pursuant to the terms and conditions of such share charge, proceed to date and transfer back to itself or its nominee(s) the Sale Shares. In addition, the first instalment of the Consideration in the sum of HK\$135.0 million is non-refundable and the Group will have received such payment in the event that the Purchaser defaults on the promissory note(s). Based on the terms above, the Directors consider the share charge over the Sale Shares are on normal commercial terms and are fair and reasonable to protect the interests of the Group and the Shareholders as a whole.

The Directors consider the balance between the interest of the Group gained as a result of the Disposal and the risks of settlement terms by way of instalments in cash and promissory notes which will mature on 30 March 2023 and 30 June 2023, respectively. Considering that (i) the Purchaser is the only entity who demonstrated the interest in acquiring the Sale Shares, (ii) the Group's interest is protected by the terms of the promissory notes and the security given therein by way of share charge over the Sale Shares, and (iii) the reasons discussed in the preceding paragraph, the Directors therefore consider such settlement terms to be acceptable after arm's length commercial negotiations and believe that the settlement terms are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Conditions precedent

Completion is subject to the following conditions being fulfilled and satisfied (or waived, if applicable):

- (a) the Purchaser is satisfied with the results of the due diligence review on the Target Group;
- (b) the Reorganisation having been completed;

LETTER FROM THE BOARD

- (c) the Purchaser having set up the Purchaser's Fund as a private fund in the form of a limited partnership and registered as a limited partnership fund with the Companies Registry of Hong Kong under the Limited Partnership Fund Ordinance (Chapter 637 of the Laws of Hong Kong) for the purpose of holding the shares of the Target Company whereby the Purchaser or its nominee(s) shall act as the general partner of the Purchaser's Fund;
- (d) the warranties to be given by the Vendor remaining true, accurate and not misleading in all material respects;
- (e) the warranties to be given by the Purchaser remaining true, accurate and not misleading in all material respects;
- (f) all necessary consents, approvals, authorisations and licences of the Vendor and the Target Company in relation to the transactions contemplated under the Sale and Purchase Agreement having been obtained; and
- (g) all necessary consents, approvals, authorisations and licences of the Purchaser in relation to the transactions contemplated under the Sale and Purchase Agreement having been obtained.

The Purchaser may waive any of the conditions precedent set out in (a) and (d) above and the Vendor may waive the condition precedent set out in (e) above.

The Vendor and the Purchaser shall use (to the extent they are able) their respective best endeavours to procure the fulfilment of the above conditions on or before the Long Stop Date or such other date as the Vendor and the Purchaser may agree in writing. If any of the conditions precedent referred to above has not been fulfilled (or waived, where applicable) on or before the Long Stop Date, the Sale and Purchase Agreement shall be terminated automatically.

As at the Latest Practicable Date, the condition precedent set out in (c) above has been fulfilled. Other than that, none of other conditions precedent has been fulfilled or waived as at the Latest Practicable Date.

LETTER FROM THE BOARD

Non-competition

The Vendor shall, after Completion, procure the Group to acquire from the PRC Subsidiary the necessary products and/or services for the satisfaction and fulfilment of all contractual obligations of the Group in respect of the Target Business. Save and except for the contractual rights and obligations of the Group in respect of the Target Business not acquired by the PRC Subsidiary, the Vendor shall not and shall procure the Group not to carry on the Target Business for the period commencing from the Completion Date to 31 December 2025 (both days inclusive), to avoid competition with the Target Group.

The non-competition clause under the Sale and Purchase Agreement was requested by the Purchaser to protect the Purchaser's interests and was in commercial nature beneficial to the Purchaser. The clause was adopted after the arms-length negotiations between the Purchaser and Vendor.

To facilitate the Disposal, the Company agreed to adopt the non-competition clause as there were no material downsides to the Group. Take into account that (i) the Target Group is the only subsidiary of the Group that is principally engaged in the Target Business, (ii) the Group has no intention to operate in and further develop the Target Business after the Completion, and (iii) such non-competition clause has no material adverse effect for the Group's other principal businesses, the Directors consider the non-competition term is fair and reasonable, and in the interest of the Company and its shareholders.

Financial information of the Target Group

Information on the Target Group

The Target Company is a company incorporated in Hong Kong with limited liability. The Target Group is principally engaged in the Target Business.

LETTER FROM THE BOARD

Financial information on the Target Group

Set out below is the financial information of the Target Group (on the assumption that the Reorganisation had completed on 1 January 2020, 1 January 2021 and 1 January 2022, respectively) based on its unaudited management accounts:

	For the nine months ended 30 September 2022	For the year ended 31 December 2021	For the year ended 31 December 2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)
Revenue	338,473	338,353	236,610
Profit/(loss) before taxation	20,016	(816)	(22,094)
Profit/(loss) after taxation	20,016	(816)	(22,094)

The unaudited value of assets to be disposed under the Target Group (on the assumption that the Reorganisation had completed on 30 September 2022) as at 30 September 2022 was approximately HK\$110 million.

The Target Group was in the loss position of approximately HK\$0.8 million and HK\$22.1 million for the year ended 31 December 2021 and 2020, respectively. The reason for the loss is mainly because the sales orders were less than expected under the outbreak of COVID-19 compounded with the increase in production and administrative costs, including material and staff costs.

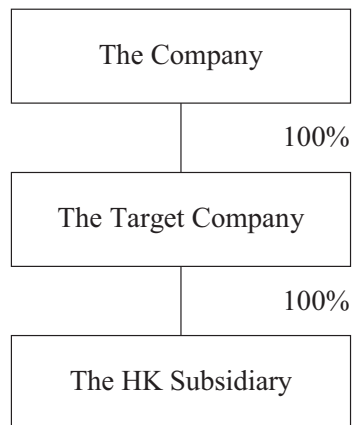
The profit of the Target Group turned to positive for the nine months ended 30 September 2022, which is due to (i) the development of the business, (ii) the increase of customer demand due to the increasing popularity of electronic vehicles, and (iii) the support of the PRC government policies on electronic vehicles development.

Although there is a turnaround in the Target Group's performance and the Target Group recorded a profit for the nine months ended 30 September 2022, the Directors, after considering (i) the Consideration comparing with the net asset value of the Target Group, and (ii) the factors set out in the section headed "**REASONS FOR AND BENEFITS OF THE DISPOSAL**" in this circular, considered the the Disposal is fair and reasonable, and in the interest of the Company and its shareholders proposed the Disposal.

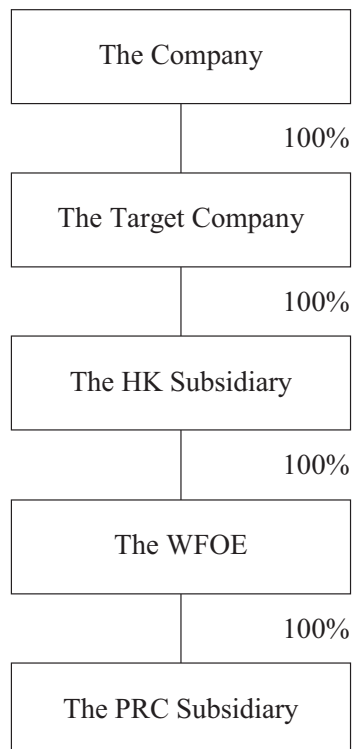
LETTER FROM THE BOARD

The following charts show the shareholding structure of the Target Company as at the Latest Practicable Date, immediately after the Reorganisation and immediately upon Completion:

Shareholding structure of the Target Company as at the date of the Sale and Purchase Agreement

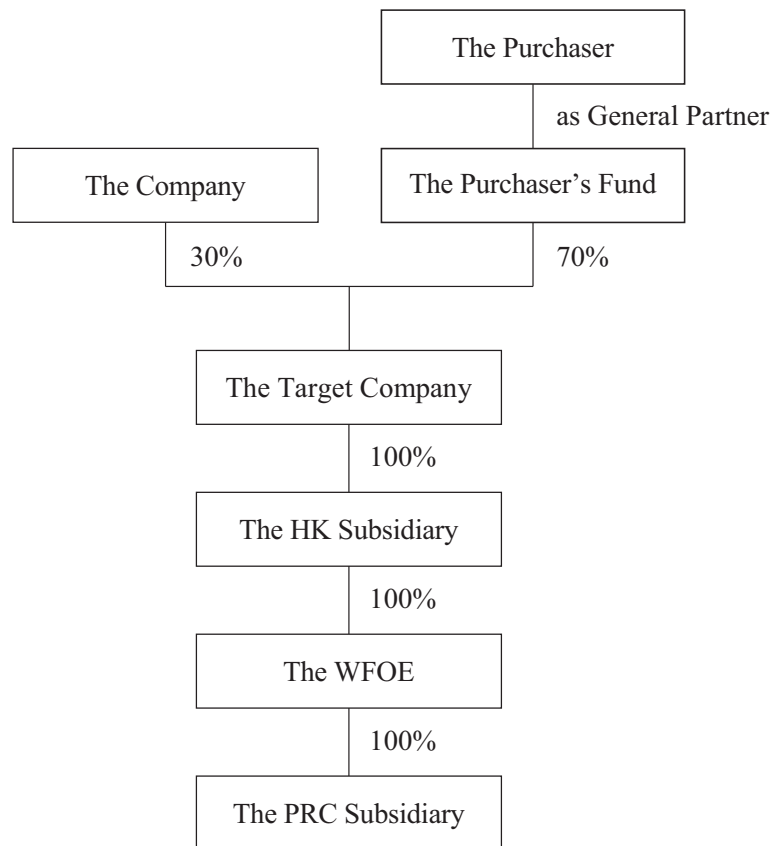


Shareholding structure of the Target Company immediately after the Reorganisation



LETTER FROM THE BOARD

Shareholding structure of the Target Company immediately after Completion



The Target Business is currently operated by an indirect wholly owned subsidiary of the Company in the PRC which consists of two principal operating businesses. However, as the Group only intends to dispose 70% of the Target Business, the Reorganisation serves to transfer the entire Target Business, including the fixed assets, inventories, manpower and patented technologies into the PRC Subsidiary and thus the Target Business can be operated independently by the PRC Subsidiary.

As part of the Reorganisation, the HK Subsidiary shall establish the WFOE, and the WFOE shall establish the PRC Subsidiary to be its wholly owned subsidiary. The PRC Subsidiary shall acquire the Target Business for the purpose of the Disposal. As at the Latest Practicable Date, the WFOE and the PRC Subsidiary have been established.

INFORMATION ABOUT THE GROUP

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. Our 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 panels for smart electrical appliances.

LETTER FROM THE BOARD

FINANCIAL IMPACT ON THE GROUP

Upon the Completion, the Group's shareholding in the Target Company will decrease from 100% to 30%. The Target Company and its subsidiaries will cease to be indirect wholly owned subsidiaries of the Company and will instead become associates of the Company. As a result, the financial results of the Target Company and its subsidiaries will cease to be consolidated with the Group's consolidated financial statements and instead, the Group will share the financial results of the associates.

Based on the preliminary assessment on the unaudited financial information of the Target Group as at 30 September 2022 and the Consideration, it is expected that upon Completion, the Group will record a disposal gain in relation to the 70% interests in the Target Business of approximately HK\$307.8 million before tax.

The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to any changes to the aforementioned unaudited financial information on the Completion Date and the review by the auditors of the Company upon finalisation of the consolidated financial statements of the Group.

INTENDED USE OF PROCEEDS

Net proceeds from the Disposal, which have deducted expenses in relation to the Disposal, are estimated to be approximately HK\$383.9 million. The Company intends to use the net proceeds from the Disposal for the Group's general working capital purpose.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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. Our 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 panels for smart electrical appliances.

The Purchaser is an investment holding company. As at the Latest Practicable Date, the Purchaser is a company incorporated in Hong Kong and is wholly owned by Mr. Chan Tsang Shing.

LETTER FROM THE BOARD

During 2022, economies across the globe were operating against various headwinds. In addition to the continuous impact of global inflation and the instability of the supply chain, the pandemic prevention and control measures in the mainland China also put tremendous pressure on the sales of consumer electronics products. As one of the component suppliers of consumer electronics products, the Group was inevitably affected by the difficult external operating environment and the weak consumer market. In the first half of 2022, the Group's revenue recorded a decrease compared to the same period last year. The ecosystems of both the global economy and the consumer electronics product market are changing rapidly. The Group will closely monitor and proactively respond to the emerging opportunities and imminent risks forthwith and will review the Group's strategic planning when necessary, while also aligning its operating structure through business restructuring, thereby focusing on the business sectors with higher development potential.

Since the Group started the manufacturing and sale of automotive interior parts business in around 2014, the business has maintained a sustained and stable development. The Group has successfully obtained orders from the largest electric vehicle manufacturer in China for the automobile interior parts. In addition to this, the Group has also received orders from the domestic leading electric vehicle battery manufacturers and expanded the business into electric vehicles for the production and sales of aluminum battery parts. The business growth can be expected. However, in order to keep up with the rapid growth of the business, the Group has to invest heavy manpower and resources to maintain the rapid development of the business. Taking into account the current rapidly changing operating environment, the management of the Group believes that resources should be more concentrated on a small number of existing businesses with established scale and potential for development, which enables management making more immediate and precise adjustments to the overall business in a rapidly changing environment.

On 24 November 2022, the Company entered into the MOU with Cornerstone. Pursuant to the MOU, the Company and Cornerstone became 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 Cornerstone, 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.

The MOU mainly focuses on the research and development in and marketing of electric vehicle charging station, which is consistent with the Group's strategy to explore new business opportunities in "Smart Cities" and shall be distinctive from the Target Business (i.e. the manufacturing of interior decorative parts of automotives and the aluminum battery components for electric motor vehicles), therefore the MOU will not be in conflict with the non-competition clause set forth in the Sale and Purchase Agreement. For further details, please refer to the announcement of the Company dated 24 November 2022.

LETTER FROM THE BOARD

As the Group still retains a 30% equity interest in the Target Group going forward, the Group will be able to enjoy the upside should the market turns around in the years ahead. Upon Completion, the Target Group will cease to be subsidiaries of the Company and will instead become associates of the Company, and the Group will share the financial results of the Target Group as associates after the Disposal.

In view of the above, the Group has decided to dispose 70% of the entire issued share capital in the Target Company, thus converting such assets into available resources for other viable business aspects of the Group and the Directors (including all independent non-executive Directors) consider that the Disposal, the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

This Disposal supplements the operating cashflow for the Group in the short term to cope with any uncertain external factors. The Disposal also serves to provide the Group with additional funding. After the Disposal, the Group will continue to seek for acquisition and disposal opportunities to bring better return to Shareholders. As at the Latest Practicable Date, the Company is considering its strategic alternatives and may further divest other loss-making business. The Company is currently under negotiation with a potential buyer to sell its business in the smart electrical appliances casing segment, and should it materialise, it will be a notifiable transaction for the Company. Besides that, the Company has not identified any potential vendors and any target business to be acquired.

Despite the abovementioned potential transaction, the Group will continue with its existing business, except the Target Business.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors and having made reasonable enquiries, no Shareholder is materially involved in or interested in the Sale and Purchase Agreement and the transactions contemplated thereunder which requires him/her/it to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

EGM

The EGM will be convened and held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 28 December 2022 at 11:00 a.m. for the Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder by way of ordinary resolution(s). The resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder will be conducted by way of a poll at the EGM. The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

In order to qualify for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 20 December 2022.

RECOMMENDATION

The Directors are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder have been negotiated on an arm's length basis and on commercial terms which are fair and reasonable, and are in the interests of the Shareholders and the Company as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Completion is subject to the fulfilment of the conditions precedent, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

FURTHER INFORMATION

Your attention is also drawn to the information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Tongda Group Holdings Limited
Wong Ya Nan
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements for each of the three years ended 31 December 2019, 2020 and 2021 and the unaudited consolidated financial statements for the six months ended 30 June 2022 of the Company together with relevant notes thereto are disclosed in the following documents which have been published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.tongda.com/>). Please refer to the hyperlinks as stated below:

- pages 44 to 145 of the annual report of the Company for the year ended 31 December 2019 published on 14 April 2020
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0414/2020041400846.pdf>)
- pages 43 to 139 of the annual report of the Company for the year ended 31 December 2020 published on 23 March 2021
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0323/2021032300477.pdf>)
- pages 48 to 143 of the annual report of the Company for the year ended 31 December 2021 published on 11 April 2022
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0411/ltn20190411700.pdf>)
- pages 16 to 48 of the interim report of the Company for the six months ended 30 June 2022 published on 16 September 2022 (the “**2022 Interim Report**”)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0916/2022091600861.pdf>)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately HK\$3,215 million, comprising aggregate secured bank loans of approximately HK\$1,035 million, aggregate unsecured bank loans of approximately HK\$2,165 million and aggregate lease liabilities of approximately HK\$15 million as detailed below:

	<i>HK\$'000</i>
Current	
Current portion of long term bank loans, secured	49,630
Current portion of long term bank loans, unsecured	825,352
Bank loans, unsecured	1,209,983
Lease liabilities	<u>6,109</u>
	2,091,074
Non-current	
Bank loans, secured	985,100
Bank loans, unsecured	129,614
Lease liabilities	<u>8,743</u>
	1,123,457
Total	<u><u>3,214,531</u></u>

As at 31 October 2022, the Group's banking facilities were supported by:

- (a) the pledge of bank deposits of approximately HK\$452,969,000;
- (b) corporate guarantees from the Company and certain of its subsidiaries; and
- (c) mortgages over the Group's leasehold building and the related right-of-use asset in Hong Kong with a carrying amount of approximately HK\$50,300,000.

At the close of business on 31 October 2022, the Group had no material contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 31 October 2022, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors are not aware of any material adverse change in the Group's indebtedness position and contingent liabilities since 31 October 2022.

3. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the Group's internal resources, available credit facilities and the estimated net proceeds from the Disposal, the Group has sufficient working capital for its requirements for at least twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Reference is made to the 2022 Interim Report, which sets out the financial information of the Group for the six months ended 30 June 2022 (the "Period").

The Group's revenue decreased by approximately 16.6%, from approximately HK\$5,115.2 million in the same period last year to approximately HK\$4,267.3 million during the Period. During the Period, economies across the globe are operating against various headwinds. In addition to the continuous impact of global inflation and supply chain instability, the pandemic prevention and control measures in the Mainland China have also put tremendous pressure on the sales of consumer electronics products. As one of the component suppliers of consumer electronics products, the Group was inevitably affected by the difficult external operating environment and the weak consumer market. Profit attributable to owners of the Company decreased by approximately 38.7% from approximately HK\$54.2 million in the same period last year to approximately HK\$33.2 million during the Period, and the net profit margin attributable to owners of the Company decreased to approximately 0.8% (30 June 2021: 1.1%), which was mainly because of the decrease in the other income and gains, net by approximately HK\$24.9

million and the increase in the other operating expenses, net and the income tax expense by approximately HK\$42.5 million and approximately HK\$12.5 million respectively, which was partially offset by the decrease in the selling and distribution expenses and the general and administrative expenses by approximately HK\$16.4 million and approximately HK\$50.1 million respectively.

Notwithstanding the above, as disclosed in the section headed “Management Discussion and Analysis” of the 2022 Interim Report, the Group will prudently deploy resources according to various of factors such as the development potential, profit margins and capital turnover efficiency of various principal businesses, and grasp opportunities arising from the high market growth stage while capitalising on the Group’s existing innovative techniques, market leading craftsmanship, diversified production capacity and outstanding R&D teams. In the coming days, the Group will proactively securing high-profit orders of tri-proof and high-precision components. Besides, there are high entry barriers in the requirements of mold precision, craftsmanship and techniques for metaverse-related product. As such, when the scenarios and demands for meta-related application become clearer, the Group will strategically match its related components with existing customers and globally leading internet technology brands that are developing metaverse products. In addition, the market outlook for household and sports goods is relatively more promising. The Group has made an announcement on 29 September 2022 that the proposed listing of the spin-off business of household and sports goods on the Main Board of the Shenzhen Stock Exchange was approved by the China Securities Regulatory Commission. By spinning off the business, the Group expects to enhance the overall financial and financing capability of the business and support its business development.

In view of the ever-changing market environment, the Group, going forward, will maintain its strategy of providing customers with diversified processing techniques and solutions based on its innovative techniques and craftsmanship. Meanwhile, the Group will explore various emerging industries, new products, new materials and new sectors, so as to consolidate its product strength and reinforce its own comprehensive competitive edges. The Group will also continuously review and improve its corporate management, aiming to sustainably optimise its production processes and enhance its management efficiency, thereby ensuring the Group’s operations remain stable amid the adversity.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in shares and underlying shares

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules, were as follows:

Long positions in Shares and underlying Shares

Name of Directors	Number of Shares held, capacity and nature of interest			Approximate percentage of shareholding
	Directly beneficially owned	Through controlled corporation	Total	
Mr. Wang Ya Nan	691,395,000 (L)	2,819,250,000 (L)	3,510,645,000 (L) <i>(Notes 1 and 2)</i>	36.12%
Mr. Hui Wai Man	100,000,000 (L)	–	100,000,000 (L)	1.03%
Dr. Yu Sun Say	32,415,000 (L)	–	32,415,000 (L)	0.33%
Mr. Ting Leung Huel Stephen	9,675,000 (L)	–	9,675,000 (L)	0.10%
Mr. Cheung Wah Fung, Christopher	5,950,000 (L)	–	5,950,000 (L)	0.09%

Notes:

1. 2,375,250,000 Shares are held by Landmark Worldwide Holdings Limited (“**Landmark Worldwide**”), the issued share capital of which is beneficially owned as to 25% by each of Mr. Wang Ya Nan, Mr. Wong Ah Yu, Mr. Wong Ah Yeung and Mr. Wang Ya Hua (collectively the “**Wong Brothers**”). Mr. Wang Ya Nan is an executive Director and the Chairman of the Company.
2. 444,000,000 Shares are held by E-Growth Resources Limited, the entire issued share capital of which is beneficially owned by Mr. Wang Ya Nan.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, save for Mr. Wang Ya Nan being the sole director of Landmark Worldwide, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTOR'S INTERESTS

(i) Interests in assets and contracts of the Group

As at the Latest Practicable Date, (i) none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up; and (ii) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

(ii) Service contracts

As at Latest Practicable Date, none of the Directors has entered or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

(iii) Interests in competing businesses

As at the Latest Practicable Date, none of the Directors or any of their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

5. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business of the Group, were entered into by the Company or its subsidiaries within the two years immediately preceding the date of this circular and are or may be material:

- (a) the underwriting agreement dated 19 July 2021 entered into between the Company and Sinomax Securities Limited as the underwriter in relation to the underwriting arrangement in respect of the Rights Issue; and
- (b) the Sale and Purchase Agreement.

6. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Chan Paan Paan (“**Mr. Chan**”). Mr. Chan graduated from the Hong Kong Baptist University with a Bachelor’s degree in Accounting. He is a member of the Hong Kong Institute of Certified Public Accountants. He has over ten years of experience in the auditing, accounting and finance field. During the period from May 2019 to February 2020, Mr. Chan served as the financial controller and the company secretary of Tongda Hong Tai Holdings Limited (stock code: 2363).
- (b) The registered office of the Company is at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands.
- (c) The head office and principal place of business of the Company in Hong Kong is at Room 1201-02, 12th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
- (e) In case of any discrepancy, the English text of this circular and the form of proxy shall prevail over the Chinese text.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.tongda.com/>) for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the Sale and Purchase Agreement;
- (c) the annual reports of the Company for each of the two financial years ended 31 December 2021;
- (d) the 2022 Interim Report published by the Company on 16 September 2022;
- (e) the announcement published by the Company on 24 November 2022; the material contracts referred to in the section headed “5. Material Contracts” in this Appendix; and
- (f) this circular.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Tongda Group Holdings Limited (the “Company”) will be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 28 December 2022 at 11:00 a.m. to consider and, if thought fit, pass the following resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the Sale and Purchase Agreement dated 11 November 2022 entered into between the Tong Da Holdings (BVI) Limited, a direct wholly owned subsidiary of the Company, as the Vendor and VNE Investment Company Limited as the Purchaser in respect of the Disposal (as defined in the circular of the Company dated 9 December 2022 (“Circular”), a copy of which is marked “A” and signed by the chairman of the EGM for identification purpose has been tabled at the EGM) be and is hereby approved, confirmed and ratified and the transactions contemplated thereunder be and are hereby approved (terms as defined in the Circular having the same meanings when used in this resolution); and
- (b) any director of the Company be and is hereby authorised on behalf of the Company to do all such acts and sign or execute all such documents and to enter into all such transactions and arrangements as such director may in his/her opinion consider necessary, appropriate or desirable for the purpose of implementing and giving effect to the Disposal.”

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

Hong Kong, 9 December 2022

NOTICE OF EGM

Notes:

1. A member entitled to attend and vote at the extraordinary general meeting by the above notice is entitled to appoint one or more proxy to attend and subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, the instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 48 hours before the time appointed for holding the extraordinary general meeting (i.e. 11:00 a.m. on Monday, 26 December 2022 (Hong Kong Time)) or any adjournment thereof.
3. In order to qualify for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 20 December 2022.
4. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or extreme conditions caused by super typhoons is in effect in Hong Kong at any time after 7:00 a.m. on the date of the extraordinary general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at www.tongda.com and on the website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
5. In compliance with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of coronavirus disease 2019 ("**COVID-19**"), the Company will implement precautionary measures at the extraordinary general meeting. Shareholders are advised to read page 1 of the circular of the Company dated 9 December 2022 for details of the precautionary measures and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.
6. As at the date of this notice, the board of directors of the Company 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 of the Company; Ms. Chan Sze Man as non-executive director of the Company; 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 of the Company.