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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)

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Board announces that on 28 September 2023, Tongda Chuang Zhi, an indirect non-wholly owned subsidiary of the Company, used its idle fund to subscribe for the XIB Wealth Management Product for the subscription amount of RMB170 million.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) for the Xiamen International Subscription exceeds 5% but all the percentage ratios are less than 25%, the Xiamen International Subscription constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

Xiamen International Subscription

The Board announces that on 28 September 2023, Tongda Chuang Zhi, an indirect non-wholly owned subsidiary of the Company, used its idle fund to subscribe for the XIB Wealth Management Product for the subscription amount of RMB170 million.

Summarised below are the major terms and conditions of the Xiamen International Subscription:

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| Commencement date of subscription | 9 October 2023 |
| Parties | Tongda Chuang Zhi (as subscriber) Xiamen International (as issuer and manager of the XIB Wealth Management Product) |
| Type of product | Currency-linked structured deposit with fixed and floating return |
| Subscription amount | RMB170 million |
| Term of product | 22 days |
| Expected annualised return rate | from 1.35% to 3.40% |

INFORMATION ON THE PARTIES

Tongda Chuang Zhi

Tongda Chuang Zhi is a company established under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company principally engaged in the production of durable household goods, household utensils, sports goods and healthcare goods.

Xiamen International

Xiamen International is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of bank products and services, including deposit taking, loans and interbank financing etc. Based on information publicly available to the Company, Xiamen International is owned as to 11.82% by 福建省福投投資有限責任公司 (Fujian Futou Investment Limited Company*).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Xiamen International and its respective ultimate beneficial owner(s) are Independent Third Parties.

BASIS OF DETERMINATION FOR THE CONSIDERATION

The consideration of the Xiamen International Subscription was determined after arm's length negotiation between the Group and Xiamen International and on normal commercial terms with reference to market prevailing price and minimum subscription amount as determined by Xiamen International as the issuer of the XIB Wealth Management Product.

The Xiamen International Subscription was funded by the surplus cash of Tongda Chuang Zhi and would not affect the working capital or the operation of Tongda Chuang Zhi and the Group. The Directors took into account the investment terms, risk level and expected return rate of the XIB Wealth Management Product. The Directors consider the terms of the Xiamen International Subscription are on normal commercial terms which are fair and reasonable, and the Xiamen International Subscription is in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE XIAMEN INTERNATIONAL SUBSCRIPTION

The Group is principally engaged in the provision of manufacture, sale and trading of accessories for electrical appliance products, handset casings, precise injection parts, high-precision components and household goods.

In order to enhance the capital efficiency and to maximize the return from the working capital of the Group, the Group reasonably and strategically utilizes the idle funds of the Group to conduct the Xiamen International Subscription for wealth management purpose. The Directors have further considered (i) the risk associated with the XIB Wealth Management Product is relatively low; (ii) the Xiamen International Subscription offered a better return than the prevailing fixed-term deposit interest rates generally offered by commercial banks in the PRC; and (iii) the Xiamen International Subscription has no material impact on the operations and working capital of the Group.

The Group has implemented adequate measures to closely monitor the performance of the XIB Wealth Management Product and to review and assess the impact of the Xiamen International Subscription to the operation and working capital of the Group from time to time. In view of the above, the Directors consider that the terms of the Xiamen International Subscription are fair and reasonable and on normal commercial terms, and the Xiamen International Subscription is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) for the Xiamen International Subscription exceeds 5% but all the percentage ratios are less than 25%, the Xiamen International Subscription constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

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| “Board” | the board of Directors of the Company |
| “Company” | Tongda Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | Third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholders” | shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “Tongda Chuang Zhi” | 通達創智(廈門)股份有限公司 (Tongda Smart Tech (Xiamen) Company Limited*), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company |
| “Xiamen International” | 廈門國際銀行股份有限公司 (Xiamen International Bank Co., Ltd.*) |
| “Xiamen International Subscription” | the subscription of the XIB Wealth Management Product by Tongda Chuang Zhi on 28 September 2023 for the amount of RMB170 million as detailed in the section headed “Subscription of Wealth Management Product – Xiamen International Subscription” of this announcement |
| “XIB Wealth Management Product” | the wealth management product issued by Xiamen International and subscribed by Tongda Chuang Zhi as detailed in the section headed “Subscription of Wealth Management Product – Xiamen International Subscription” of this announcement |
| “%” | percent. |

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

Hong Kong, 28 September 2023

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, Mr. Ting Leung Huel, Stephen, MH and Mr. Sze Irons, BBS, JP as independent non-executive directors.

* *For identification purpose only*