

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer 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 accompanying form of proxy to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

NOTICE OF ANNUAL GENERAL MEETING; PROPOSED GRANT OF GENERAL MANDATES TO REPURCHASE BY THE COMPANY OF ITS OWN SHARES AND ALLOT AND ISSUE NEW SHARES; PROPOSED RE-ELECTION OF DIRECTORS; AND CLOSURE OF REGISTER OF MEMBERS

A notice convening an annual general meeting of Tongda Group Holdings Limited (the "Company") to be held at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 29 May 2024 at 10:30 a.m. is set out on pages 3 to 6 of this circular which was despatched to shareholders of the Company on Tuesday, 30 April 2024.

Whether or not you are able to attend the meeting, you are advised to read the notice and 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, 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 holding the annual general meeting (i.e. 10:30 a.m. on Monday, 27 May 2024 (Hong Kong Time)), or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be convened and held at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 29 May 2024 at 10:30 a.m., the notice of which is set out on pages 3 to 6 of this circular
“Articles”	the articles of association of the Company as amended and currently in force
“Board”	the board of Directors of the Company
“close associate(s)”	has the meaning ascribed to this term in the Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“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 (stock code: 698)
“connected person”	has the meaning ascribed to this term in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	25 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the general unconditional repurchase mandate proposed to be granted to the Directors to repurchase Shares up to 10% of the issued Shares as at the date of passing such resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company at the previous annual general meeting of the Company held on 25 June 2013
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

NOTICE OF ANNUAL GENERAL MEETING



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 IS HEREBY GIVEN that the annual general meeting of Tongda Group Holdings Limited (the “Company”) will be held at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 29 May 2024 at 10:30 a.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors (the “Directors”) and the auditors of the Company for the year ended 31 December 2023;
2.
 - (a) To re-elect Mr. Wang Hung Man as executive Director;
 - (b) To re-elect Mr. Hui Wai Man as executive Director;
 - (c) To re-elect Mr. Cheung Wah Fung, Christopher as independent non-executive Director;
 - (d) To authorise the board of Directors (the “Board”) to determine the Directors’ remuneration;
3. To re-appoint the Company’s auditors and to authorise the Board to determine their remuneration;
4. To consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:
 - (A) “**THAT:**
 - (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with share(s) (the “Share(s)”) of HK\$0.01 each in the share capital of the Company and to make or grant offers, agreements and options (including warrants) which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of Shares to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time, or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees (including executive Directors) of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the capital of the Company, or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company, shall not exceed the aggregate of (i) 20% of the number of Shares in issue on the date of passing this resolution and (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the number of Shares in issue on the date of the passing of this resolution) and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the Companies Act of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares or issue of options to subscribe for shares of the Company open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

(B) “THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase securities of the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the number of Shares to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the Shares in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the Companies Act of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional upon resolutions no. 4(A) and 4(B) as set out in the notice convening this meeting being passed, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with unissued shares pursuant to resolution No. 4(A) as set out in the notice convening this meeting be and is hereby extended by the addition to the number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of a number representing the aggregate number of Shares of the Company repurchased by the Company under the authority granted pursuant to resolution No. 4(B) as set out in the notice convening this meeting, provided that such extended number of Shares shall not exceed 10% of the Shares in issue as at the date of passing this resolution.”

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

Hong Kong, 30 April 2024

Notes:

1. A member entitled to attend and vote at the annual 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 annual general meeting (i.e. 10:30 a.m. on Monday, 27 May 2024 (Hong Kong Time)) or any adjournment thereof.
3. The register of members of the Company will be closed from Friday, 24 May 2024 to Wednesday, 29 May 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the annual general meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Thursday, 23 May 2024.
4. An explanatory statement regarding resolution Nos. 4(A), 4(B) and 4(C) above containing the information necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolutions will be set out in the relevant sections of the circular dated 30 April 2024.
5. Under the Company's articles of association, Mr. Wang Hung Man, Mr. Hui Wai Man and Mr. Cheung Wah Fung, Christopher will retire from their office of Directors upon conclusion of the annual general meeting. The said Directors being eligible offer themselves for re-election.
6. 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 annual general meeting, the meeting will be rescheduled in accordance with the articles of association of the Company. The Company will post an announcement on the website of Company at www.tongda.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and place of the rescheduled meeting.



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
Mr. Sze Irons, *BBS, JP*

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

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

30 April 2024

To the Shareholders

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING;
PROPOSED GRANT OF GENERAL MANDATES
TO REPURCHASE BY THE COMPANY OF ITS OWN SHARES
AND ALLOT AND ISSUE NEW SHARES;
PROPOSED RE-ELECTION OF DIRECTORS;
AND CLOSURE OF REGISTER OF MEMBERS**

INTRODUCTION

The purpose of this circular is to give you information regarding the resolutions to repurchase Shares, to allot and issue new Shares, the re-election of Directors, and to seek your approval of the resolutions in relation thereto to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

Three respective ordinary resolutions will be proposed at the Annual General Meeting to enable the Directors to exercise the powers of the Company (i) to make repurchases on the Stock Exchange of the Company's fully paid up Shares representing up to a maximum of 10% of the existing issued share capital of the Company (ii) to allot and issue new Shares up to 20% of the issued share capital of the Company, and (iii) to increase the number of Shares which the Directors may issue under the general mandate by the number of Shares repurchased under the Repurchase Mandate. Three ordinary resolutions will also be proposed at the Annual General Meeting to re-elect the retired Directors.

Under the Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the Annual General Meeting. This circular is prepared for such purpose.

EXPLANATORY STATEMENT ON REPURCHASE MANDATE

The explanatory statement as required under the Listing Rules to provide the requisite information to you for consideration of the proposed grant of the Repurchase Mandate is set out below:

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by its memorandum of association and Articles, the Companies Ordinance and the Companies Act to repurchase its own Shares.

(a) Shareholders' approval

The Listing Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval with reference to a specific transaction.

(b) Source of funds

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Ordinance and the Companies Act. Any repurchases by the Company may only be made out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or out of the share premium account of the Company, if authorised by the Articles and subject to the Companies Act or, if authorised by the Articles and subject to the Companies Act, out of capital.

LETTER FROM THE BOARD

(c) Maximum number of Shares to be repurchased and subsequent issues

A maximum of 10% of the Shares in issue at the date of passing the relevant resolution at the Annual General Meeting may be repurchased by the Company on the Stock Exchange.

GENERAL MANDATES TO BE GRANTED TO DIRECTORS TO MAKE ON-MARKET REPURCHASES OF SHARES AND TO ALLOT AND ISSUE NEW SHARES

At the 2023 annual general meeting of the Company held on 29 May 2023, the Directors were granted a general mandate to allot, issue and deal with Shares in the capital of the Company and a general mandate to repurchase Shares on the Stock Exchange. These mandates will expire at the conclusion of the forthcoming Annual General Meeting. To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Directors will seek the approval of the Shareholders for the grant of the general mandate and the Repurchase Mandate as provided under resolutions no. 4(A) to 4(C) in the notice of the Annual General Meeting.

Ordinary resolution no. 4(A) contained in the notice of the Annual General Meeting relates to the granting of a general mandate to the Directors to allot and issue new Shares up to a maximum of 20% of the number of Shares in issue at the date of passing of the resolution. The authority conferred on the Directors by this mandate will continue in force until the conclusion of the next annual general meeting of the Company, or any earlier date as referred to in paragraph (d) of the ordinary resolution no. 4(A). In addition, subject to the approval by the Shareholders of the ordinary resolution no. 4(C) contained in the notice of the Annual General Meeting, the number of Shares repurchased by the Company under the Repurchase Mandate will also be added to the 20% general mandate as mentioned above. The Directors have no immediate plan to allot and issue any new Shares other than such Shares which may fall to be issued upon the grant of awarded shares under share award scheme and the exercise of any options granted under the Share Option Scheme.

Ordinary resolution no. 4(B) contained in the notice of the Annual General Meeting relates to the granting of the Repurchase Mandate to the Directors to repurchase, on the Stock Exchange, Shares of up to a maximum of 10% of the number of Shares in issue as at the date of the passing of the resolution. The authority conferred on the Directors by this mandate will continue in force until the conclusion of the next annual general meeting of the Company, or any earlier date as referred to in paragraph (c) of ordinary resolution no. 4(B).

Ordinary resolution no. 4(C) contained in the notice of the Annual General Meeting relates to the extension of the general mandate to be granted to the Directors to allot and issue new Shares during the relevant period by adding to it the number of Shares (if any) repurchased under the Repurchase Mandate. The authority conferred on the Directors by this mandate will continue in force until the conclusion of the next annual general meeting of the Company, or any earlier date as referred to in paragraph (d) of ordinary resolution no. 4(A).

LETTER FROM THE BOARD

REASONS FOR SHARE REPURCHASES

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Repurchase Mandate would be in the best interests of the Company and its Shareholders. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since their attributable percentage interest in the Shares of the Company would increase in proportion to the number of Shares repurchased by the Company. The Shares repurchased by the Company under the Repurchase Mandate shall be cancelled automatically. The Directors will only make such repurchases in circumstances where they consider to be beneficial to the Company and its Shareholders.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 9,735,607,645 Shares.

Subject to the passing of ordinary resolution no. 4(B), the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 973,560,764 Shares, i.e. 10% of the total issued Shares as at the date of passing of the resolution, on the basis that no Shares would be issued or repurchased prior to the date of the Annual General Meeting.

Subject to the passing of ordinary resolution no. 4(A), the Company would be allowed under the mandate to issue a maximum of 1,947,121,529 Shares, i.e. 20% of the total issued Shares as at the date of passing of the resolution, on the basis that no Shares would be issued or repurchased prior to the date of the Annual General Meeting.

FUNDING OF REPURCHASES

The Directors propose that repurchases of Shares under the Repurchase Mandate in these circumstances would be financed from the Company's internal resources or working capital facilities.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company, the Articles and the applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, there may be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent that would have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

LETTER FROM THE BOARD

SHARE PRICES

The highest and lowest prices at which Shares have been traded on the Stock Exchange in each of the previous 12 calendar months and up to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	0.122	0.106
May	0.110	0.091
June	0.105	0.090
July	0.105	0.084
August	0.096	0.079
September	0.083	0.072
October	0.120	0.073
November	0.172	0.108
December	0.148	0.097
2024		
January	0.105	0.082
February	0.103	0.079
March	0.095	0.072
April (up to and including the Latest Practicable Date)	0.082	0.070

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. Neither this explanatory statement nor the proposed share repurchase has any unusual features.

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

LETTER FROM THE BOARD

As at the Latest Practicable Date, and on the date assuming that the Repurchase Mandate had been exercised in full, the shareholdings of Landmark Worldwide Holdings Limited, E-Growth Resources Limited, Wang Ya Nan, Wang Ya Hua, Wong Ah Yeung and Wong Ah Yu (collectively, the “Parties”) are as follows:

Name	<i>Note</i>	Number of Shares	Current percentage of total number of Shares	Percentage of total number of Shares (assuming the Repurchase Mandate is exercised in full)
Landmark Worldwide Holdings Limited	1	2,375,250,000	24.40%	27.11%
E-Growth Resources Limited	2	444,000,000	4.56%	5.07%
Wang Ya Nan		691,395,000	7.10%	7.89%
Wang Ya Hua		136,830,000	1.41%	1.56%
Wong Ah Yeung		178,950,000	1.84%	2.04%
Wong Ah Yu		144,690,000	1.49%	1.65%

Note:

1. The entire issued share capital of Landmark Worldwide Holdings Limited is held and beneficially owned as to 25% by each of Messrs Wang Ya Nan, Wang Ya Hua, Wong Ah Yeung and Wong Ah Yu.
2. The entire issued share capital of E-Growth Resources Limited is held and beneficially owned as to 100% by Mr. Wang Ya Nan.

On the basis of the current shareholding held by the Parties, if the Repurchase Mandate is exercised in full (and assuming that the issued share capital of the Company remains unchanged up to the date of the forthcoming Annual General Meeting), such increase in percentage of its shareholdings will give rise to an obligation for the Parties to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that the Parties would become obligated to make a mandatory offer under the Takeovers Code.

Save as disclose above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

LETTER FROM THE BOARD

The Directors do not propose or intend to repurchase Shares which could result in mandatory offer under the Takeovers Code and less than the prescribed minimum percentage of Shares held in public hands (i.e. 25%). The Stock Exchange has stated that if less than 25% of the total number of Shares in issue are held in the public hands, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or that there are insufficient Shares held in the public hands to maintain an orderly market, it will consider exercising its discretion to suspend the dealing in the Shares.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, or any of their respective close associates, presently intends to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares, nor they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

SHARE REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any of the Shares during the previous six months immediately preceding the Latest Practicable Date.

ACTIONS TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with this circular. 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 less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. 10:30 a.m. on Monday, 27 May 2024 (Hong Kong Time)) or any adjournment thereof. Completion and delivery of the form of proxy will not prevent you from attending and voting in person at the Annual General Meeting or any adjournment thereof and, in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Under code provision B.2.2 set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

At the Annual General Meeting, Mr. Wang Hung Man, Mr. Hui Wai Man and Mr. Cheung Wah Fung, Christopher, will retire from office by rotation in accordance with article 104 of the Articles and, being eligible, will offer themselves for re-election to serve for another term. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out below:

Mr. Wang Hung Man (“Mr. HM Wang”), aged 35, is the Vice Chairman and the general manager and/or director of the Group’s major subsidiaries in Xiamen. He obtained a bachelor’s degree in economics from The University of California, Davis in 2011. He also obtained an executive master of business administration (EMBA) degree at China Europe International Business School in 2019. He joined the Group in 2013 and worked in various positions at the major subsidiaries of the Group in Xiamen and was responsible for plant operations management, procurement, companies’ daily operations management and strategy development, etc. He is currently responsible for the supervision and strategic development of the Group’s business in the consumer electronics structural components division. He is the son of Mr. Wang Ya Hua, who is a substantial Shareholder, and the nephew of Mr. Wang Ya Nan, who is an executive Director and a substantial Shareholder, and Mr. Wong Ah Yeung and Mr. Wong Ah Yu, who are substantial Shareholders. He is also the cousin of Mr. Wong Ming Sik and Mr. Wong Ming Yuet, who are executive Directors.

Mr. HM Wang has a service contract with the Company for an initial term of three years and renewable automatically for successive term of one year, subject to retirement by rotation and re-election by the Shareholders pursuant to the Articles.

Save as disclosed above, Mr. HM Wang (i) did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years, (ii) does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company; and (iii) does not have any interest in the Shares within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. HM Wang as an executive Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) and in particular, Rule 13.51(2) (h) to (v), of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

Mr. Hui Wai Man (“Mr. Hui”), aged 56, obtained a bachelor of science (Hons) in electronics from Keele University in the United Kingdom in 1990 and has nearly 30 years of experience in the electronics market. After graduating, Mr. Hui joined Seagate Technology PLC (NASDAQ: STX), a company listed on the NASDAQ Stock Market and is one of the world’s largest computer hard disk manufacturers. He worked as a business engineer in Singapore.

He then joined Kaga Electronics Co., Ltd. (TYO: 8154) (“Kaga Electronics”), a company listed on The Tokyo Stock Exchange, in 1992, where he was responsible for business development. Before Mr. Hui left Kaga Electronics, he was a director of a subsidiary under Kaga Electronics in Asia, and was responsible for the business development of Kaga Electronics in China. Mr. Hui joined the Group in 2003 and is mainly responsible for the sales and marketing activities of the Group in Hong Kong and overseas. He is also responsible for the overall product and business development and the supply chain management of the Group.

Mr. Hui has a service contract with the Company for an initial term of three years and renewable automatically for successive term of one year, subject to retirement by rotation and re-election by the Shareholders pursuant to the Articles.

As at the Latest Practicable Date, Mr. Hui is directly interested in 100,000,000 Shares, representing about 1.03% of the Company’s issued share capital.

Save as disclosed above, Mr. Hui (i) did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years, (ii) does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders of the Company; and (iii) does not have any interest in the Shares within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. Hui as an executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) and in particular, Rule 13.51(2)(h) to (v), of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

Mr. Cheung Wah Fung, Christopher (“Mr. Cheung”), *GBS, SBS, JP*, aged 72, is an independent non-executive director of the Company and joined the Company in September 2004. He is a member of each of the AC, RC and NC. Mr. Cheung was formerly a member of the National Committee of the CPPCC and a member of the Legislative Council (Financial Services) of the Hong Kong Special Administrative Region. He is currently the Chairman of Christfund Securities group of companies. He serves as the honorary president of the Hong Kong Securities Professionals Association, honorary director of the Hong Kong Chinese General Chamber of Commerce, the president of the Hong Kong China Chamber of Commerce, the honorary president of the Hong Kong Federation of Fujian Association, the vice secretary general of the Friends of Hong Kong Association, and the vice president of the Federation of HK Jiangsu Community Organization. Mr. Cheung has been appointed as an independent non-executive director of Carrianna Group Holdings Company Limited (stock code: 126) since July 2021, being a company listed on the main board of the Stock Exchange.

Mr. Cheung does not have any relationships with any directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Cheung is directly interested in 5,950,000 Shares, representing approximately 0.06% of the Company’s issued share capital.

Mr. Cheung has a service contract with the Company with an initial term of 3 years and renewable automatically for successive term of one year, subject to retirement by rotation and re-election by the Shareholders pursuant to the articles of association of the Company. The director’s emolument specified in his service contract is HK\$300,000 per annum. The basis of determining Mr. Cheung’s said emolument is by reference to the market benchmark of emoluments normally paid by other listed public companies in Hong Kong to their independent non-executive directors.

Save as disclosed above, Mr. Cheung (i) did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years, (ii) does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO and (iii) has no other positions held by him with the Company and its subsidiaries and has no relationship with any directors, senior management or substantial or controlling Shareholders of the Company.

In relation to the re-election of Mr. Cheung as an independent non-executive Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules, in particular, Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

Mr. Cheung has served as an independent non-executive Director for more than 9 years. The Board considered that he has been independent since his appointment as an independent non-executive Director according to the requirements as set out in Rule 3.13 of the Listing Rules; and he has no interest or transaction in the business of the Company, or any of its subsidiaries or holding company. Save as serving as an independent non-executive Director, he has not taken any other positions in the Company, or any of its subsidiaries or holding company. Therefore, the Board considered that he is still independent and recommended the Shareholders to re-elect him as independent non-executive Director.

When identifying suitable candidates for directorship, the nomination committee of the Company carries out the selection process in accordance with the nomination policy of the Company and taking into account the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity policy of the Company. The nomination committee will also consider the Company's needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set out in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria as set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

In considering the re-election of Mr. Cheung as independent non-executive Director, the Board, with the assistance and recommendation from the nomination committee of the Company, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to gender, age, cultural and ethnic background, professional qualification, skills, knowledge and length of service. The Board considers that Mr. Cheung possesses rich experience in the industry and are able to provide valuable advices in areas of accounting, finance, legal and/or business to the Company, thus contributing to better corporate governance of the Company. The Board is also of the view that during the tenure of Mr. Cheung as independent non-executive Director, he has made positive contributions to the Company's strategy, policies and performance with his independent advice, comments, judgment from the perspective of his background coupled with his general understanding of business of the Group. He contributes to the diversity of the Board in age and cultural background.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting which will be held at Strategic Financial Relations Limited, 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 29 May 2024 at 10:30 a.m. is set out on pages 3 to 6 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the branch share registrar of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in accordance with the instructions printed thereon no later than 48 hours before the time appointed for holding the Annual General Meeting (i.e. 10:30 a.m. on Monday, 27 May 2024 (Hong Kong Time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the Annual General Meeting.

The resolutions proposed to be approved at the Annual General Meeting will be taken by poll and an announcement on the results of the Annual General Meeting will be made by the Company following the Annual General Meeting.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 24 May 2024 to Wednesday, 29 May 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Thursday, 23 May 2024.

RECOMMENDATION

The Directors have presently no intention to issue new Shares for the Company. The Directors believe that an exercise of the general mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2023, being the date of its latest audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

LETTER FROM THE BOARD

The Directors believe that the general mandate to issue Shares and the Repurchase Mandate are beneficial to the Company and the Shareholders as a whole and accordingly recommend that all Shareholders should vote in favour of ordinary resolutions no. 4(A), 4(B) and 4(C) to be proposed at the Annual General Meeting.

The resolutions in relation to the re-election of Directors, are proposed for the purpose of complying with the Articles. Accordingly, the Directors recommend Shareholders to vote in favor of the above resolutions to be proposed at the Annual General Meeting.

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.

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