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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 TRANSACTIONS IN RELATION TO SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

Reference is made to the announcement of the Company dated 7 June 2024 and 9 September 2024 in respect of the subscriptions of the structured deposit products from Industrial Bank (the “**Previous Subscriptions**”).

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Board announces that on 10 September 2024, Tongda Chuang Zhi, an indirect non-wholly owned subsidiary of the Company, used its idle fund to subscribe for the Industrial Bank Wealth Management Product for the subscription amount of RMB40 million.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, as one of the applicable percentage ratios (as defined under the Listing Rules) for the Industrial Bank Subscription exceeds 5% but all the percentage ratios are less than 25%, and similarly, as one of the applicable percentage ratios (as defined under the Listing Rules) for the Industrial Bank Subscription along with the Previous Subscriptions also exceeds 5% but all the percentage ratios are less than 25%, the Industrial Bank Subscription, on an aggregated basis, 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

Industrial Bank Subscription

The Board announces that on 10 September 2024, Tongda Chuang Zhi, an indirect non-wholly owned subsidiary of the Company, used its idle fund to subscribe for the Industrial Bank Wealth Management Product for the subscription amount of RMB40 million.

Summarised below are the major terms and conditions of the Industrial Bank Subscription:

Commencement date of subscription	11 September 2024
Parties	Tongda Chuang Zhi (as subscriber) Industrial Bank (as issuer and manager of the First Industrial Bank Wealth Management Product)
Type of product	Index-linked (Shanghai gold) structured deposit with fixed and floating return
Subscription amount	RMB40 million
Term of product	91 days
Expected annualised return rate	from 1.50% to 2.27%

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.

Industrial Bank

Industrial Bank is a branch of Industrial Bank Co., Ltd, a licensed bank established under the laws of the PRC, which is principally engaged in the provision of corporate and personal banking and other financial services in the PRC. Based on information publicly available to the Company, the issued shares of Industrial Bank Co., Ltd are listed on the Shanghai Stock Exchange (stock code: 601166).

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

BASIS OF DETERMINATION FOR THE CONSIDERATION

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

The Industrial Bank 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 Industrial Bank Wealth Management Product. The Directors consider the terms of the Industrial Bank Subscription are on normal commercial terms which are fair and reasonable, and the Industrial Bank Subscription is in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE INDUSTRIAL BANK SUBSCRIPTION

The Group is principally engaged in the provision of manufacture, sale and trading of the consumer electronics structural 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 Industrial Bank Subscription for wealth management purposes. The Directors have further considered (i) the risk associated with the Industrial Bank Wealth Management Product is relatively low; (ii) the Industrial Bank Subscription offered a better return than the prevailing fixed-term deposit interest rates generally offered by commercial banks in the PRC; and (iii) the Industrial Bank Subscription have 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 Industrial Bank Wealth Management Product and to review and assess the impact of the Industrial Bank 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 each of the Industrial Bank Subscription are fair and reasonable and on normal commercial terms, and the Industrial Bank Subscription is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, as one of the applicable percentage ratios (as defined under the Listing Rules) for the Industrial Bank Subscription exceeds 5% but all the percentage ratios are less than 25%, and similarly, as one of the applicable percentage ratios (as defined under the Listing Rules) for the Industrial Bank Subscription along with the Previous Subscriptions also exceeds 5% but all the percentage ratios are less than 25%, the Industrial Bank Subscription, on an aggregated basis, 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:

“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)
“Industrial Bank”	Industrial Bank Co., Ltd Xiamen Jiangtou Branch
“Industrial Bank Subscription”	the subscription of the Industrial Bank Wealth Management Product by Tongda Chuang Zhi on 10 September 2024 for the amount of RMB40 million as detailed in the section headed “Subscription of Wealth Management Product – Industrial Bank Subscription” of this announcement
“Industrial Bank Wealth Management Product”	the wealth management product issued by Industrial Bank and subscribed by Tongda Chuang Zhi as detailed in the section headed “Subscription of Wealth Management Products – Industrial Bank Subscription” of this announcement
“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

“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

“%” percent.

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

Hong Kong, 10 September 2024

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 and Mr. Sze Irons, BBS, JP as independent non-executive directors.

* *For identification purpose only*