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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)

POSITIVE PROFIT ALERT

This announcement is made by Tongda Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 (the “**Period**”) and information currently available to the Board, it is expected that the Group will record an unaudited profit attributable to owners of the Company in the range of approximately HK\$60,000,000 to HK\$65,000,000 for the Period, representing an increase of approximately 367.2% to 406.2% compared with HK\$12,842,000 for the six months ended 30 June 2024. Based on the information currently available to the Board, the expected increase in profit is mainly due to:

- (i) the early repayment of a significant portion of long-term bank loans by the Group in 2024, which led to significant decrease in finance costs and bank charges during the Period when compared to same period last year;
- (ii) following the completion of the disposal of the high-precision components business on 3 April 2024, the Group ceased to incur any research and development (the “**R&D**”) expenditures related to this business. Coupled with the Group’s disciplined development strategy focusing R&D resources on core businesses, and the new

materials and products developed at clients' request last year have commenced gradual rollout. These factors collectively contributed to a substantial decrease in the Group's R&D costs during the Period when compared to the same period last year; and

- (iii) despite the impact of intense market competition on the Group's operations, the impairment of fixed assets undertaken in 2024 led to a significant decrease in depreciation expenses during the Period.

However, the revenue and results of the high-precision components business divested on 3 April 2024, which had been a business with high gross profit margin, have ceased to be consolidated in the Group's financial statements from the completion of such disposal. The combined effect of these factors resulted in decreased gross profit and gross profit margin for the Group during the Period.

In addition, following the disposal of the high-precision components business on 3 April 2024, the Group recorded a one-off net gain of approximately HK\$146.4 million in the first half of 2024, while no gain of this nature was recorded during the Period.

As at the date of this announcement, the Company is in the process of finalising the consolidated financial results of the Group for the Period. The information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment of the Board of the unaudited management accounts which have not been audited or reviewed by the Company's auditors and/or audit committee of the Company. The final unaudited consolidated results of the Group for the Period are expected to be announced by 22 August 2025 and may differ from the figures and information contained in this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 30 July 2025

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, GBS, BBS, JP as independent non-executive directors.