通達集團
TONGDA GROUP

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 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 year ended 31 December 2025 ("**FY2025**") and the information currently available to the Board, the Group is expected to record a profit attributable to owners of the Company ranging from approximately HK$115 million to HK$125 million for FY2025, representing a turnaround from a loss attributable to owners of the Company of approximately HK$3,942 million recorded for the year ended 31 December 2024 ("**FY2024**"). The significant improvement in the results for FY2025 was primarily due to:

(1) **Non-recurrence of significant one-off non-cash asset impairment losses:** In FY2024, the Group recognised one-off non-cash asset impairment provisions totaling approximately HK$2,350 million (including provisions for fixed assets, investments in associates, and receivables and loans due from a jointly controlled entity). No such significant one-off impairment items were expected to be recorded for FY2025;

(2) **Significant improvement in overall gross profit margin:** While the Group's sales remained stable during FY2025, the overall gross profit margin largely improved from a gross loss margin of 5.9% in FY2024 to an expected gross profit margin ranging from approximately 15.5% to 16.5% for FY2025, mainly due to the following reasons:

   (i) Following the impairment of fixed assets at the end of FY2024, depreciation expenses for FY2025 were expected to decrease significantly by approximately HK$340 million as compared to that for FY2024; and

   (ii) In FY2024, intensified sector-wide competition and market volatility slowed inventory turnover and complicated the management of aged stock, necessitating an inventory provision of approximately HK$510 million. In FY2025, the Group implemented a balanced strategy, emphasising the consolidation of core client relationships alongside a more rigorous risk evaluation framework for all engagements. Through continuous customer portfolio optimisation and the proactive filtering of low-margin orders, the Group has substantially enhanced its overall order quality. This strategic pivot has resulted in a more resilient operational profile. Consequently, profit margins of the Group have strengthened, and the inventory provision for FY2025 was expected to decrease by approximately HK$500 million as compared to that for FY2024.

(3) **Optimisation of operating expenses and R&D costs:** Overall administrative expenses (including research and development ("**R&D**") costs) for FY2025 were expected to decrease by approximately HK$420 million to HK$430 million compared to FY2024. This was primarily due to the completion of the disposal of the high-precision components business on 3 April 2024, after which the Group no longer incurred any R&D and administrative expenses related to that business. At the same time, the Group's adoption of a disciplined development strategy by focusing R&D resources on core businesses and the gradual launch of new materials and products previously developed at the request of customers also led to the expected decrease in the Group's R&D expenses for FY2025 as compared to that for FY2024.

The Company is currently in the process of finalising the consolidated financial results of the Group for FY2025. 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. The final audited consolidated results of the Group for FY2025 are expected to be announced by the end of March 2026 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, 5 February 2026

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.