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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 SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Board announces that on 14 July 2023 and 1 August 2023, Tongda Chuang Zhi, an indirect non-wholly owned subsidiary of the Company, used its idle fund to subscribe in certain Wealth Management Products, including the subscriptions of (i) the First China Minsheng Wealth Management Product and Second China Minsheng Wealth Management Product for the subscription amount of RMB30 million and RMB65 million respectively; and (ii) the Xiamen International 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, on a standalone 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.

Pursuant to Rule 14.22 of the Listing Rules, as one of the applicable percentage ratios (as defined under the Listing Rules) for the China Minsheng Subscriptions exceeds 5% but all the percentage ratios are less than 25%, the China Minsheng Subscriptions, 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.

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

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Xiamen International Subscription

On 1 August 2023, Tongda Chuang Zhi entered into an agreement with Xiamen International for the Xiamen International Subscription in the amount of RMB170 million. Summarised below are the major terms and conditions of the Xiamen International Subscription:

Commencement date of subscription	2 August 2023
Parties	Tongda Chuang Zhi (as subscriber) Xiamen International (as issuer and manager of the Xiamen International Wealth Management Product)
Type of product	Currency-linked structured deposit with fixed and floating return
Subscription amount	RMB170 million
Term of product	29 days
Expected annualised return rate	from 1.35% to 3.40%

China Minsheng Subscriptions

On 14 July 2023 and 1 August 2023, Tongda Chuang Zhi entered into an agreement with China Minsheng for the First China Minsheng Subscription in the amount of RMB30 million and the Second China Minsheng Subscription in the amount of RMB65 million respectively. Summarised below are the major terms and conditions of the China Minsheng Subscriptions:

The First China Minsheng Subscription

Commencement date of subscription	17 July 2023
Parties	Tongda Chuang Zhi (as subscriber) China Minsheng (as issuer and manager of the First China Minsheng Wealth Management Product)
Type of product	Index-linked (London gold) structured deposit with fixed and floating return
Subscription amount	RMB30 million
Term of product	92 days
Expected annualised return rate	from 1.60% to 2.85%

The Second China Minsheng Subscription

Commencement date of subscription	2 August 2023
Parties	Tongda Chuang Zhi (as subscriber) China Minsheng (as issuer and manager of the Second China Minsheng Wealth Management Product)
Type of product	Index-linked (London gold) structured deposit with fixed and floating return
Subscription amount	RMB65 million
Term of product	92 days
Expected annualised return rate	from 1.60% to 2.85%

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.

China Minsheng

China Minsheng is 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 China Minsheng are listed on the Stock Exchange (stock code: 1988) and the Shanghai Stock Exchange (stock code: 600016).

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 China Minsheng, Xiamen International and their respective ultimate beneficial owner(s) are Independent Third Parties.

BASIS OF DETERMINATION FOR THE CONSIDERATION

The consideration of each of the Subscriptions was determined after arm's length negotiation between the Group and the counterparties and on normal commercial terms with reference to market prevailing price and minimum subscription amount as determined by the issuer of the relevant Wealth Management Products.

The Subscriptions were 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 Wealth Management Products. The Directors consider the terms of the Subscriptions are on normal commercial terms which are fair and reasonable, and the Subscriptions are in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Group is principally engaged in the provision of manufacture, sale and trading of accessories for electrical appliance products, handset casings, precise injection and printing 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 Subscriptions for wealth management purposes. The Directors have further considered (i) the risk associated with the Wealth Management Products is relatively low; (ii) the Subscriptions offered a better return than the prevailing fixed-term deposit interest rates generally offered by commercial banks in the PRC; and (iii) the Subscriptions 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 Wealth Management Products and to review and assess the impact of the Subscriptions 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 Subscriptions are fair and reasonable and on normal commercial terms, and the Subscriptions are 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, on a standalone 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.

Pursuant to Rule 14.22 of the Listing Rules, as one of the applicable percentage ratios (as defined under the Listing Rules) for the China Minsheng Subscriptions exceeds 5% but all the percentage ratios are less than 25%, the China Minsheng Subscriptions, 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
“China Minsheng”	China Minsheng Banking Corp., Ltd.
“China Minsheng Subscriptions”	collectively, the First China Minsheng Subscription and Second China Minsheng Subscription
“China Minsheng Wealth Management Product”	collectively, the First China Minsheng Wealth Management Product and Second China Minsheng Wealth Management Product
“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
“First China Minsheng Subscription”	the subscription of the First China Minsheng Wealth Management Product by Tongda Chuang Zhi on 14 July 2023 for the amount of RMB30 million as detailed in the section headed “Subscription of Wealth Management Products – China Minsheng Subscriptions – <i>The First China Minsheng Subscription</i> ” of this announcement

“First China Minsheng Wealth Management Product”	the wealth management product issued by China Minsheng and subscribed by Tongda Chuang Zhi as detailed in the section headed “Subscription of Wealth Management Products – China Minsheng Subscriptions – <i>The First China Minsheng Subscription</i> ” of this announcement
“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
“Second China Minsheng Subscription”	the subscription of the Second China Minsheng Wealth Management Product by Tongda Chuang Zhi on 1 August 2023 for the amount of RMB65 million as detailed in the section headed “Subscription of Wealth Management Products – China Minsheng Subscriptions – <i>The Second China Minsheng Subscription</i> ” of this announcement
“Second China Minsheng Wealth Management Product”	the wealth management product issued by China Minsheng and subscribed by Tongda Chuang Zhi as detailed in the section headed “Subscription of Wealth Management Products – China Minsheng Subscriptions – <i>The Second China Minsheng Subscription</i> ” of this announcement
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively, the China Minsheng Subscriptions and Xiamen International Subscription

“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
“Wealth Management Products”	collectively, the China Minsheng Wealth Management Products and Xiamen International Wealth Management Product
“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 Xiamen International Wealth Management Product by Tongda Chuang Zhi on 1 August 2023 for the amount of RMB170 million as detailed in the section headed “Subscription of Wealth Management Products – Xiamen International Subscription” of this announcement
“Xiamen International 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 Products – Xiamen International Subscription” of this announcement
“%”	percent.

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

Hong Kong, 1 August 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 and Mr. Sze Irons, BBS, JP as independent non-executive directors.

* *For identification purpose only*