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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)

PROFIT WARNING

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 (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available and the Board’s preliminary review and analysis of the unaudited management accounts of the Group (the “**Management Accounts**”) for the five months ended 31 May 2020, which have not been audited or reviewed by the auditor and/or the audit committee of the Company (the “**Audit Committee**”), it was estimated that the profit attributable to the Shareholders for the six months ended 30 June 2020 (the “**Period**”) would decrease by 85% to 95% as compared with that of HK\$315.8 million for the same period last year.

The Board considers that, the decrease in profit attributable to the Shareholders as compared with the same period last year was mainly due to (i) the Group’s existing products faced fierce competition and the spread of the novel coronavirus epidemic throughout the world during the Period caused the delay of the Group’s expected product upgrades, resulting in the decrease in the Group’s gross profit and gross profit margin; and (ii) the Group expected to record a net exchange loss during the Period, compared with a net exchange income of approximately HK\$85.6 million in the same period last year.

The Board expects that along with the global economic activities gradually returning to normal, the market demand and production for handsets will recover steadily, the sales of the Group's new products with higher technological thresholds such as 3D and uni-body Glass-like plastic (the "Glastic") will increase, the continuing commercialisation of 5G and the expected rapid popularisation of 5G mobile phones in the middle to low-end market is expected to bring various business opportunities to the Group, and the Group's gross profit margin is expected to gradually recover.

As at the date of this announcement, the Company is still in the process of finalising the 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 on the Management Accounts, which have not been audited or reviewed by the auditor and/or the Audit Committee. The Shareholders and the potential investors of the Company should read the interim results of the Group for the Period carefully, which is expected to be announced before the end of August 2020 and may be different 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, 10 July 2020

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, SBS, JP and Mr. Ting Leung Huel Stephen as independent non-executive Directors.