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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)

CONTINUING CONNECTED TRANSACTION

On 5 March 2010, Tongda Optical, a non-wholly owned subsidiary of the Company, entered into the Supply Agreement with Matsushita Shokai pursuant to which Tongda Optical has agreed to acquire production equipment for light guide plate of not more than HK\$10 million from Matsushita Shokai for the year ending 31 December 2010.

On 29 April 2010, Tongda Optical entered into the Supplemental Supply Agreement with Matsushita Shokai to amend certain terms of the Supply Agreement.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 5 March 2010. Definitions and terms used herein, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

On 5 March 2010, Tongda Optical, a non-wholly owned subsidiary of the Company, entered into the Supply Agreement with Matsushita Shokai pursuant to which Tongda Optical has agreed to acquire production equipment (the “**Production Equipment**”) for light guide plate of not more than HK\$10 million from Matsushita Shokai for the year ending 31 December 2010

SUPPLEMENTAL SUPPLY AGREEMENT

On 29 April 2010, Tongda Optical entered into a supplemental supply agreement (the “**Supplemental Supply Agreement**”) with Matsushita Shokai to amend certain terms of the Supply Agreement.

Pursuant to the Supplemental Supply Agreement, the annual cap for the purchases of Production Equipment to be made by Tongda Optical from Matsushita Shokai is to be increased from HK\$10 million (as set out in the Supply Agreement) to HK\$20 million for the year ending 31 December 2010.

Save as disclosed above, there are no changes to the terms under the Supply Agreement.

The annual cap for the year ending 31 December 2010 is estimated by the Directors after taking into account the amount of the purchases of Production Equipment made by Tongda Optical from Matsushita Shokai from 5 March 2010 to the date of this announcement.

Should the aggregate annual purchases made by Tongda Optical from Matsushita Shokai exceed HK\$20 million for the year ending 31 December 2010, Tongda Optical will enter into a separate supply agreement with Matsushita Shokai for those purchases which exceed such amount and the Company will make a separate announcement and will comply with all relevant requirements under the Listing Rules.

The Directors consider that the Supplemental Supply Agreement was entered into (i) on normal commercial terms; (ii) in the usual and ordinary course of business of the Group; and (iii) was arrived at after arm's length negotiation between the parties.

REASONS FOR THE SUPPLEMENTAL SUPPLY AGREEMENT

The Supply Agreement was entered into between the parties on 5 March 2010 with an annual cap of HK\$10 million for the year ending 31 December 2010. As of the date of this announcement, the purchases of Production Equipment made by Tongda Optical from Matsushita Shokai has already exceeded HK\$8 million. As such, the Directors consider that the annual cap of HK\$10 million will be insufficient for the year ending 31 December 2010 and the increase in the annual cap to HK\$20 million for the year ending 31 December 2010 will be more appropriate.

The Directors (including the independent non-executive Directors) consider that the entering into of the Supplemental Supply Agreement to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As Matsushita Shokai is the beneficial owner of 14.9% of the issued share capital of Tongda Optical, being a substantial shareholder of Tongda Optical, Matsushita Shokai is a connected person of the Company. Accordingly, the Supply Agreement as amended by the Supplemental Supply Agreement constitute continuing connected transaction on the part of the Company under the Listing Rules. As each of the percentage ratios (other than the profits ratio) is less than 2.5%, the Acquisitions are subject to reporting and announcement requirements under Rule 14A.34 of the Listing Rules and is exempted from the independent Shareholders' approval requirement.

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

Hong Kong, 29 April 2010

As at the date of this announcement, the executive Directors are Messrs Wang Ya Nan, Wang Ya Hua, Wong Ah Yu, Wong Ah Yeung, Choi Wai Sang, Wang Ming Che, and independent non-executive Directors are Dr. Yu Sun Say JP, Mr. Ting Leung Huel Stephen and Mr. Cheung Wah Fung, Christopher, JP.