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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)

GRANT OF PUT OPTION BY SHAREHOLDER

On 11 December 2012, Wang Ya Nan (“**Mr Wang**”), the chairman of the board (the “**Board**”) of directors, an executive director and a shareholder of the Company, and Templeton Strategic Emerging Markets Fund, IV, LDC (“**Templeton**”) entered into an option deed (the “**Option Deed**”), pursuant to which Mr Wang has agreed to grant to Templeton the right to sell to Mr Wang (the “**Put Option**”) all or part of 300,000,000 shares (the “**Option Shares**”) in the capital of the Company in the exercise period (the “**Exercise Period**”) of forty five days after the expiry of the third anniversary of the date of the Option Deed. If the last date of the aforesaid period falls within a period (the “**Black Out Period**”) during which Mr Wang is prohibited from dealing in the securities of the Company under the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Exercise Period shall be extended by the corresponding number of days by which the Exercise Period would otherwise fall within the Black Out Period. The Put Option may only be exercised by Templeton once.

Templeton is managed by Templeton Asset Management Ltd (“**TAML**”), a Singapore Company. TAML is a subsidiary of listed Franklin Resources, Inc. (NYSE: BEN), a global investment management organization operating as Franklin Templeton Investment. Templeton and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The sale price of the Options Shares shall be the difference between:

- (a) such an amount sufficient to provide a yield equivalent to 15% internal rate of return to Templeton upon its receipt in respect of the relevant Option Shares calculated as from the date of the Option Deed, such total amount to include all dividends previously distributed to Templeton in respect of such Option Shares; and

(b) the lower of the following two amounts:

- (i) all dividends previously distributed to Templeton in respect of such Option Shares; and
- (ii) one-third of the difference between the amount calculated in accordance with (a) and the amount of (1) the total investment cost of the Option Shares at the time of payment by Templeton and (2) all legal fees, accountancy fees, capital fees, stamp duties, and other fees, charges and expenses incurred by Templeton in connection with the Option Shares not exceeding the amount of US\$50,000.

As soon as reasonably practicable after the date of the Option Deed, Mr Wang shall, to the fullest extent permitted by law and the Listing Rules, use his best endeavours to do (or to procure) the appointment of an individual nominated by Templeton as a non-executive director on the Board.

As Mr Wang was not a party to the acquisition (the “**Acquisition**”) of Shares representing 6.3% of the issued share capital of the Company by Templeton, Mr Wang did not enter the relevant agreement in relation to the Acquisition with Templeton and only entered into the Option Deed with Templeton. The entering into of the Option Deed by Mr. Wang such that the requirements of Templeton for Templeton to become a strategic investor of the Company would be complied with.

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

Hong Kong, 28 March 2013

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