

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **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 AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN GRAND PROSPER INVESTMENTS LIMITED AND ISSUE OF CONSIDERATION SHARES**

#### **THE ACQUISITION**

The Board is pleased to announce that after trading hours of the Stock Exchange on 28 April 2015, the Purchaser and the Vendor entered into the Acquisition Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Sale Shares at the Consideration of HK\$275,077,000. The Consideration shall be paid to the Vendor as to HK\$30,357,000 by way of cash and as to the balance of HK\$244,720,000 by procuring the Company to allot and issue 190,000,000 Consideration Shares to the Vendor (or his nominee(s)), credited as fully paid.

Pursuant to the Acquisition Agreement, the assets to be acquired by the Company are the Sale Shares, representing the entire issued share capital of the Target Company. As at the date hereof, the Target Company is the beneficial owner of 25% of the entire equity interests of each of the PRC Companies. The balance of the 75% equity interests of each of the PRC Companies are beneficially owned by the Group.

Immediately upon Completion, the Target Company and the PRC Group will become indirect wholly-owned subsidiaries of the Company. The financial results of the Target Company and the PRC Group will be fully consolidated into the consolidated financial statements of the Group upon Completion.

#### **LISTING RULES IMPLICATION**

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company. In addition, as the sole beneficial owner of the Target Company, which in turn is a substantial shareholder of the PRC Companies, being 75%-owned subsidiaries of the Company, the Vendor is regarded as a connected person of the Company under the Listing Rules and the Acquisition also constitutes a connected transaction on the part of the Company under the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules. The EGM will be convened and held on which the relevant resolution(s) will be put forward for the Independent Shareholders to vote and approve the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to, the allotment and issue of the Consideration Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and his associate(s) does not hold any Shares as at the date hereof, and no Shareholder is required to abstain from voting to approve the ordinary resolution(s) in respect of the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares, at the EGM.

## GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, will be established to advise the Independent Shareholders regarding the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition Agreement, and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares. It is expected that a circular, together with a notice to convene the EGM and a proxy form, will be despatched to the Shareholders on or before 29 May 2015 as more time is required to finalise certain information in the circular. The circular will contain, among other things, further details of the Acquisition and the transactions contemplated under the Acquisition Agreement, a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares.

**As the Acquisition Agreement is subject to the fulfillment (or waiver) of the conditions precedent as set out in the section headed “Conditions Precedent” in this announcement, the Acquisition Agreement may or may not become unconditional or be completed. Shareholders and potential investors should exercise caution when dealings in the Shares.**

## INTRODUCTION

Reference is made to the announcement of the Company dated 17 April 2015 in relation to the MOU entered into between the Purchaser and the Vendor for the negotiation of the Acquisition.

The Board is pleased to announce that after trading hours of the Stock Exchange on 28 April 2015, the Purchaser and the Vendor entered into the Acquisition Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Sale Shares at the Consideration of HK\$275,077,000. Details of the Acquisition Agreement are set out below.

## **THE ACQUISITION AGREEMENT**

Date: 28 April 2015 (after trading hours of the Stock Exchange)

The Purchaser: Tongda (Xiamen) Company Limited

The Vendor: Mr. Hui Wai Man

The Vendor is the sole beneficial owner of the Target Company which, in turn, is the beneficial owner of 25% of the equity interests of the PRC Companies. The Vendor is therefore an indirect substantial shareholder of the PRC Companies. The Vendor is also a senior staff member of the Company. As such, the Vendor is regarded as a connected person of the Company under the Listing Rules.

The Purchaser is a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is indirectly held by the Company.

### **Assets to be acquired**

Pursuant to the Acquisition Agreement, the assets to be acquired by the Purchaser are the Sale Shares, representing the entire issued share capital of the Target Company.

### **Consideration**

Pursuant to the Acquisition Agreement, the Consideration shall be the sum of HK\$275,077,000. The Consideration shall be satisfied by the Purchaser in the following manner:

- (i) as to HK\$30,357,000 to be paid by the Purchaser to the Vendor by way of cash, but which shall be withheld by the Purchaser for the purpose of settling all tax which may be payable by the Vendor in respect of the sale of the Sale Shares under Bulletin 7, and only be released after (i) deducting any tax payable by the Vendor to the relevant tax authority of the PRC for the sale of the Sale Shares or (ii) until the 5th anniversary of the Completion Date if the parties to the Acquisition Agreement have not received any demand for payment of tax during the period of 5 years from the Completion Date, whichever is the earlier; and
- (ii) as to the balance of HK\$244,720,000 to be settled by the Purchaser by way of procuring the Company to allot and issue an aggregate of 190,000,000 Consideration Shares at the issue price of HK\$1.288 per Share to the Vendor (or his nominee(s)), credited as fully paid, upon Completion.

## **Basis of the Consideration**

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the net assets value of the Target Company as shown in its unaudited management accounts for the year ended 31 December 2014 together with 25% of the net assets value of the PRC Group as shown in its unaudited consolidated management accounts for the year ended 31 December 2014; (ii) the price-to-earning ratio of the Target Company based on the unaudited management accounts of the Target Company for the year ended 31 December 2014 and 25% of the profit of the PRC Group as shown on the unaudited consolidated management accounts for the year ended 31 December 2014; and (iii) prospects of the PRC Group.

## **The Consideration Shares**

The Consideration Shares represent (i) approximately 3.47% of the existing issued share capital of the Company; and (ii) approximately 3.36% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares. The Consideration Shares shall rank pari passu in all respects with the Shares in issue on the date of allotment and issuance of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, the record date for which falls on or after the date of such allotment and issuance. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The allotment and issuance of the Consideration Shares are subject to the approval by the Independent Shareholders at the EGM.

The issue price of HK\$1.288 was agreed between the Purchaser and the Vendor in the MOU by reference to the average of the closing prices per Share of the 5 consecutive trading days immediately prior to the date of the MOU and it represents:

- (i) a discount of approximately 5.29% to the closing price of HK\$1.36 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) The average of the closing prices of approximately HK\$1.288 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 1.42% over the average of the closing prices of approximately HK\$1.27 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 195.15% over the net asset value per Share attributable to the Shareholders of approximately HK\$0.66 as at 31 December 2014.

## **Lock up undertakings**

The Vendor has undertaken to the Purchaser that, during the relevant periods as detailed below, he will not (and will procure his nominee(s) not to), in respect of the relevant Consideration Shares, pledge, sell or contract to sell or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any of the Consideration Shares, save in accordance with the following:

- (a) no disposal of any Consideration Shares is allowed during the period of 1 year from the Completion Date;
- (b) disposal(s) of up to 30% of the initial number of Consideration Shares (i.e. up to 57,000,000 Consideration Shares) is allowed during the period from the 1st anniversary of the Completion Date to the 2nd anniversary of the Completion Date;
- (c) disposal(s) of up to 60% of the initial number of Consideration Shares (i.e. up to 114,000,000 Consideration Shares inclusive of any Consideration Shares disposed of pursuant to (b) above) is allowed during the period from the 2nd anniversary of the Completion Date to the 3rd anniversary of the Completion Date; and
- (d) disposal(s) of up to 100% of the initial number of Consideration Shares (i.e. up to all the 190,000,000 Consideration Shares) is allowed during the period from the 3rd anniversary of the Completion Date and thereafter.

## **Other undertakings by the Vendor**

### *(A) Filings and settlement of tax pursuant to Bulletin 7*

The Vendor has also undertaken to the Purchaser that any PRC withholding income tax imposed on the transfer gains or otherwise required to be paid pursuant to or in connection with Bulletin 7 on the sale of the Sale Shares shall be duly reported and timely paid by the Vendor. The Vendor shall within 30 days from the date of Acquisition Agreement and in any event before Completion, make the filings with the competent tax authorities in the PRC in relation to the sale of Sale Shares, pursuant to Bulletin 7 and to pay all tax in respect of the sale of Sale Shares under Bulletin 7 if so required by the competent tax authorities.

To the extent any such tax has been paid by the Target Company, any PRC Companies, or the Purchaser (the “**Paying Party**”), the Vendor shall reimburse the relevant Paying Party forthwith upon the Purchaser’s request in writing to the Vendor. In the event that the Vendor fails, or fails to procure the Target Company, to file the Bulletin 7 reports and pay all tax required to be paid, the Purchaser shall have the right to either file the Bulletin 7 reports on behalf of the Vendor and to apply the withheld part Consideration as mentioned in the paragraph headed “Consideration” above to settle the tax payment on behalf of the Vendor, and such deducted and/or withheld amounts shall be treated for all purposes having been paid to the Vendor.

*(B) Non-competition and non-solicitation*

For a period of five (5) years following Completion, except for agreed to in writing by the Purchaser, the Vendor shall not on behalf of himself or any other person in any capacity:

- (i) directly or indirectly own, manage, operate or control, or be employed by, any business in the PRC which competes with the business of the Target Company or the PRC Group in the said region; or
- (ii) directly or indirectly solicit or entice away any person who is or has been a customer of the Target Company or the PRC Group within five (5) years before Completion; or
- (iii) directly or indirectly solicit or endeavour to entice away from or discourage from being employed by the Company or the PRC Group any person who is at the date of the Acquisition Agreement an officer or employee of the Target Company or the PRC Group; or
- (iv) directly or indirectly employ or engage or attempt to employ or engage or negotiate or arrange the employment or engagement by any other person, firm or company of any person who is at the date of the Acquisition Agreement an officer or employee of the Target Company or the PRC Group.

## **Conditions precedent**

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (a) the Purchaser having conducted the due diligence review of the assets, liabilities, operations and affairs of the Target Company as it may consider appropriate and the Vendor shall provide and procure the Target Company and its agents to provide such assistance as the Purchaser and its advisers and agents may require in connection with such review and the Purchaser being satisfied with the results of its due diligence review;
- (b) the passing by the Independent Shareholders at the EGM to be convened and held of the necessary resolution(s) by poll to approve the Acquisition Agreement and the transactions contemplated thereunder (including but not limited to the grant of the specific mandate to allot and issue the Consideration Shares) in accordance with the Listing Rules and the applicable laws and regulations;
- (c) all necessary consents, authorisations, licences and approvals required to be obtained on the part of the Vendor and the Target Company in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (d) all necessary consents, authorisations, licences and approvals required to be obtained on the part of the Purchaser in respect of this Agreement and the transactions contemplated hereby having been obtained and remain in full force and effect;
- (e) the Listing Committee of the Stock Exchange having granted or having agreed to grant the listing of and permission to deal in the Consideration Shares;
- (f) the representations and warranties given by the Vendor in relation to the Acquisition remain true and accurate in all respects;



- (g) (if required) all necessary waivers, consents and approvals from any relevant government or regulatory authorities or other relevant third parties for or in connection with the Completion and the transactions contemplated under this Agreement having been obtained by the Vendor and/or the Target Company, including but not limited to the Bulletin 7 reports having been filed with the competent tax authorities; and
- (h) each of the Vendor and certain employees of the PRC Companies designated by the Purchaser having entered into an employment contract with the designated companies of the Group for a fixed term of 5 years.

The Vendor shall use its best endeavour to procure the fulfillment of conditions (a), (c), (f), (g) and (h) above, while the Purchaser shall use its best endeavour to procure the fulfillment of conditions (a), (b), (d) and (e) above.

The Purchaser may at any time before Completion by writing to the Vendor waive conditions (a) and (f) above. If the above conditions have not been satisfied (or otherwise waived) on or before 4:00 p.m. on 31 October 2015, or such later date as the Vendor and Purchaser may agree in writing, the Acquisition Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

For the avoidance of doubt, conditions (b), (c), (d), (e), (g) and (h) above are incapable of being waived.

## **Completion**

Subject to the fulfillment or waiver (as the case may be) of the above conditions, Completion shall take place at 4:00 p.m. on the Completion Date.

Immediately upon Completion, the Target Company and the PRC Group will become indirect wholly-owned subsidiaries of the Company. The financial results of the Target Company and the PRC Group will be fully consolidated into the consolidated financial statements of the Group upon Completion.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structures of the Company (i) as at the date of this announcement; and (ii) upon Completion and immediately after the allotment and issuance of the Consideration Shares:

	(i) As at the date of this announcement		(ii) Upon Completion and immediately after the allotment and issuance of the Consideration Shares	
	Number of Shares	%	Number of Shares	%
<b>Substantial Shareholders</b>				
Landmark Worldwide Holdings Limited (Note 1)	2,000,490,000	36.58	2,000,490,000	35.35
E-Growth Resources Limited (Note 2)	296,000,000	5.41	296,000,000	5.23
<b>Directors</b>				
Mr. Wang Ya Nan	269,570,000	4.93	269,570,000	4.76
Mr. Wang Ya Hua	55,720,000	1.02	55,720,000	0.98
Mr. Wong Ah Yeung	67,800,000	1.24	67,800,000	1.20
Mr. Wong Ah Yu	60,960,000	1.11	60,960,000	1.08
Mr. Wang Ming Che	16,000,000	0.29	16,000,000	0.28
Mr. Choi Wai Sang (Note 3)	103,500,000	1.89	103,500,000	1.83
Dr. Yu Sun Say	4,300,000	0.08	4,300,000	0.08
Mr. Cheung Wah Fung, Christopher	5,950,000	0.11	5,950,000	0.11
Mr. Ting Leung Huel Stephen	7,450,000	0.14	7,450,000	0.13
The Vendor	–	–	190,000,000	3.36
Other public Shareholders	<u>2,581,410,000</u>	<u>47.20</u>	<u>2,581,410,000</u>	<u>45.61</u>
Total	<u>5,469,150,000</u>	<u>100.00</u>	<u>5,659,150,000</u>	<u>100.00</u>

Notes:

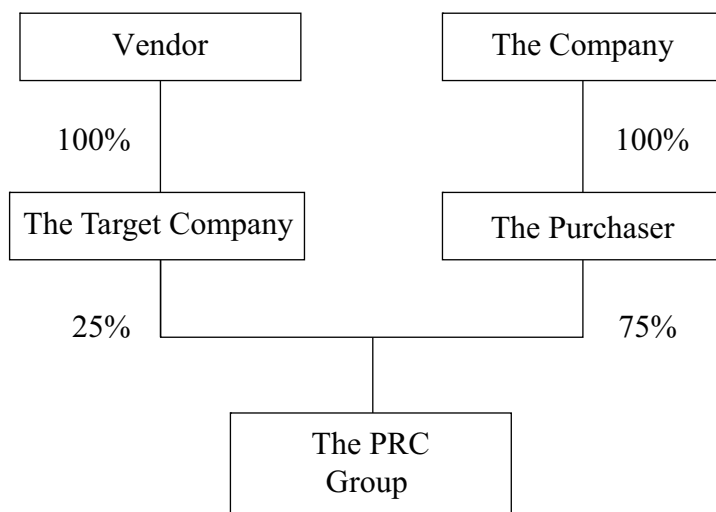
- Landmark Worldwide Holdings Limited is an investment holding company incorporated in the BVI with limited liability, the issued share capital of which is beneficially owned as to 25% by each of Messrs. Wang Ya Nan, Wang Ya Hua, Wong Ah Yeung and Wong Ah Yu, each an executive Director.

2. E-Growth Resources Limited is an investment holding company incorporated in the BVI, the entire issued share capital of which is beneficially owned by Mr. Wang Ya Nan, an executive Director.
3. Among the 103,500,000 shares, 24,750,000 shares are beneficially held by Mr. Choi Wai Sang, an executive Director and the remaining 78,750,000 shares are held by Faye Limited, a company incorporated in the BVI and wholly-owned by Mr. Choi Wai Sang.

## INFORMATION ON THE TARGET COMPANY AND THE PRC GROUP

The Target Company is incorporated in Hong Kong with limited liability and is wholly owned by the Vendor. The Target Company is an investment holding company and beneficially owns 25% of the equity interest in each of Tongda (Xiamen) and Tongda Electronic, each a company established in the PRC, and the remaining 75% of each of their respective equity interests are beneficially and indirectly owned by the Company as at the date of this announcement.

Set out below is a chart illustrating the relationship between the Target Company and the Group:



Save for the holding of its investments in the 25% of each of the equity interest of Tongda (Xiamen) and Tongda Electronic, the Target Company does not hold any other investment or interest in the equity or share capital of other companies, and the Target Company does not carry out any active business operation.

The PRC Companies and their subsidiaries are engaged in the business of manufacturing and sales of plastic injection and printing parts of handsets.

The PRC Group comprises the PRC Companies, being Tongda (Xiamen) and Tongda Electronic, and Tongda (Xiamen) in turn owns 80% of the equity interests in Tongda (Xiamen) Communications Co. Ltd. (通達(廈門)通訊有限公司#), which holds the entire equity interests in each of Nanan Zhangda Electronic Circuits Co. Ltd. (南安展達電路有限公司#) and Taiwan Tongda Communication Co. Ltd. (台灣通達通訊有限公司#).

### Financial information of the Target Company and the PRC Group

Set out below is the audited financial information of the Target Company for the year ended 31 December 2013 and the unaudited financial information of the Target Company for the year ended 31 December 2014 prepared in accordance with Hong Kong Financial Reporting Standards:

	Year ended 31 December	
	2013	2014
	HK\$	HK\$
	(Audited)	(Unaudited)
Profit/(loss) before income tax	6,627,000	(537,000)
Profit/(loss) after income tax	6,627,000	(537,000)

The unaudited net assets of the Target Company as at 31 December 2014 amounted to approximately HK\$45,000.

Set out below is the unaudited financial information of Tongda Electronic for the years ended 31 December 2013 and 2014 respectively prepared in accordance with Hong Kong Financial Report Standards:

	Year ended 31 December	
	2013	2014
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Profit before income tax	15,478,000	52,311,000
Profit after income tax	13,149,000	44,457,000

The unaudited net assets of Tongda Electronic as at 31 December 2014 amounted to approximately HK\$147,301,000.

Set out below is the unaudited consolidated financial information of Tongda (Xiamen) and its subsidiaries for the years ended 31 December 2013 and 2014 respectively prepared in accordance with Hong Kong Financial Report Standards:

	<b>Year ended 31 December</b>	
	<b>2013</b>	<b>2014</b>
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Unaudited)
Profit before income tax	36,547,000	171,273,000
Profit after income tax	28,490,000	154,006,000

The unaudited consolidated net assets of Tongda (Xiamen) and its subsidiaries as at 31 December 2014 amounted to approximately HK\$540,335,000.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is a one-stop solution provider of high-precision components for consumer electronics products, principally engaged in the design and production of the casings and components of handsets, notebook computers, electrical appliances, ironware parts, communication facilities and other products, and the provision of a wide range of casings made by high precision plastic, metal and composite materials.

In view of expansion of smartphone market, and the domestic handset brands are focusing more on outstanding specifications and product differentiation, the Directors consider that there will be a growing demand on the products with better decoration for appearance, texture and functionality. Apart from the manufacturing of handsets components including battery covers, display frames and middle frames, the Group has been actively searching for other business opportunities so as to diversify the Group's business into a new line of business with growth potential and to broaden its source of income that can bring return to the Shareholders. Apart from the handsets segment, the Target Company actively taps into the worldwide household durable products industry and sports gear for producing the plastic products. Having considered that the PRC Group is equipped with experience in the industry with diversified clientele and being specialized in providing precise plastic products solutions, the Directors believe that the prospect of the PRC Group is promising.

Upon completion, the Group will continue to develop its existing business.

The Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice from the independent financial adviser) consider that the terms of the Acquisition Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Based on the above, the Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice from the independent financial adviser) consider the Acquisition is in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATION**

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company. In addition, as the sole beneficial owner of the Target Company, which in turn is a substantial shareholder of the PRC Companies, being 75%-owned subsidiaries of the Company, the Vendor is regarded as a connected person of the Company under the Listing Rules, and the Acquisition also constitutes a connected transaction on the part of the Company under the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules. The EGM will be convened and held on which the relevant resolution(s) will be put forward for the Independent Shareholders to vote and approve the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to, the allotment and issue of the Consideration Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and his associate(s) does not hold any Shares as at the date hereof, and no Shareholder is required to abstain from voting to approve the ordinary resolution(s) in respect of the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares, at the EGM.

## GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, will be established to advise the Independent Shareholders regarding the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition Agreement, and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares. It is expected that a circular, together with a notice to convene the EGM and a proxy form, will be despatched to the Shareholders on or before 29 May 2015 as more time is required to finalise certain information in the circular. The circular will contain, among other things, further details of the Acquisition and the transactions contemplated under the Acquisition Agreement, a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares.

**As the Acquisition Agreement is subject to the fulfillment (or waiver) of the conditions precedent as set out in the section headed “Conditions Precedent” in this announcement, the Acquisition Agreement may or may not become unconditional or be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement dated 28 April 2015 entered into between the Purchaser and the Vendor in relation to the Acquisition
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors

“Bulletin 7”	Bulletin 7 issued by the State Administration of Taxation, PRC, announcement [2015] No. 7 (#國家稅務總局公告2015年7號) (including subsequent amending provisions, if any)
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	The British Virgin Islands
“Company”	Tongda Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 698)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Acquisition Agreement
“Completion Date”	the date falling on the third Business Day after the date of fulfillment of the conditions precedent set out in the Acquisition Agreement or such later date as the Purchaser and the Vendor may agree
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration payable by the Purchaser for the Sale Shares
“Consideration Share(s)”	190,000,000 new Shares to be allotted and issued by Company to the Vendor for the purpose of settlement of part of the Consideration, at an issue price of HK\$1.288 each, representing approximately 3.36% of the enlarged issued share capital of the Company immediately after the allotment and issuance of Consideration Shares
“Director(s)”	director(s) of the Company



“EGM”	the extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the Acquisition Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors
“Independent Shareholder(s)”	Shareholders other than those who have a material interest in the Acquisition Agreement and the transactions contemplated thereunder
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Last Trading Day”	28 April 2015, being the last trading day of the Shares immediately prior to the release of this announcement
“MOU”	the memorandum of understanding dated 17 April 2015 entered into between the Purchaser and the Vendor setting out preliminary understanding in relation to the Acquisition
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Companies”	together, Tongda (Xiamen) and Tongda Electronic
“PRC Group”	the PRC Companies and their subsidiaries
“Purchaser”	Tongda (Xiamen) Holding Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“Sale Shares”	an aggregate of 10,000 issued shares in the capital of the Target Company, representing its entire issued share capital, which are wholly and beneficially owned by the Vendor as at the date of the Acquisition Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Grand Prosper Investments Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is currently owned by the Vendor as at the date of the Acquisition Agreement
“Vendor”	Mr. Hui Wai Man
“Tongda Electronic”	Shenzhen Tongda Electronic Company Limited (深圳通達電子有限公司 <sup>#</sup> ), a company established in the PRC with limited liability, the entire equity interest of which is owned as to 25% by the Target Company and 75% by the Purchaser
“Tongda (Xiamen)”	Tongda (Xiamen) Technology Limited (通達(廈門)科技有限公司 <sup>#</sup> ), a company established in the PRC with limited liability, the entire equity interest of which is owned as to 25% by the Target Company and 75% by the Purchaser
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

<sup>#</sup> The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

In this announcement, unless otherwise specified, amounts in RMB is converted to HK\$ at conversion rates of RMB1.00 = HK\$1.251 for illustration only. No representation was made that any amounts in RMB could have been or could be converted into HK\$ at such rate or any other rates.

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

Hong Kong, 28 April 2015

*As at the date of this announcement, the Board comprises 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 as executive directors; and Dr. Yu Sun Say, J.P., Mr. Cheung Wah Fung, Christopher, J.P. and Mr. Ting Leung Huel Stephen as independent non-executive directors.*