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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)

BUSINESS UPDATE OPERATING POSITION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

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 and the Inside Information Provisions (as defined in 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 hereby present the operating performance for the nine months ended 30 September 2016 (the “**Period**”) to shareholders and holders of securities of the Company and potential investors. Based on the unaudited consolidated management accounts of the Group for the Period, the turnover of the Group amounted to approximately HK\$5.39 billion (corresponding period in 2015: HK\$4.32 billion), among which the turnover for the third quarter increased by approximately 49% year-on-year which was mainly attributable to the handset business.

Revenue derived from sales to the largest five customers during the period ended 30 September 2016 and 2015 amounted to approximately HK\$3.54 billion and HK\$2.55 billion respectively, which represented approximately 66% and 59% of the total revenue respectively.

	Q3			Period ended 30 September		
	2016 HK\$ million	2015 HK\$ million	Changes	2016 HK\$ million	2015 HK\$ million	Changes
Top five customers						
– Handset	1,268	494	157%	3,199	1,800	78%
– Non-handset	194	246	-21%	343	747	-54%
Sub-total	1,462	740	98%	3,542	2,547	39%
Other customers	686	701	-2%	1,846	1,774	4%
Total	2,148	1,441	49%	5,388	4,321	25%

During the third quarter, the metal handset casings orders from the Group's key customers increased, among which, the major handset models include OPPO R9, Honor (榮耀) NOTE8, Huawei Nova, Huawei P9 Lite, Honor 5C, Maimang (麥芒) 5, Honor V8, Asus Zenfone 3, Asus Zenfone 3 Deluxe, Asus Zenfone 3 Ultra, Redmi NOTE4, Redmi 3, Redmi NOTE3, Mi Max, and Coolpad Fengshang (鋒尚) Max. The Group has also started providing reputable international brands with a bulk supply of Liquid Silicone Rubber and precision rubber parts produced by the Group. In addition, the Group has successfully developed and promoted its 3D glass casings to its customers in the Period, which could be supplied with the Group's metal middle supporting frames, and are expected to further raise the unit price of its product.

Looking ahead, the Group is optimistic about the business prospects for the fourth quarter.

The Board hereby reminds shareholders and potential investors that the above information are based on the unaudited consolidated management accounts of the Group which have neither been reviewed or audited by the auditors of the Company. The operational information in the Period may not reflect the overall performance of the Group for a complete reporting period.

Shareholders and potential investors of the Company are advised not to place undue reliance on the said information and they 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, 24 October 2016

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.