

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.



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)

ANNOUNCEMENT ON ESTIMATED DECREASE IN RESULTS FOR THE FIRST HALF YEAR OF 2017

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 of directors (the “**Board**”) 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 preliminary review of the Board of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017, it was estimated that the net profit attributable to the Shareholders for the six months ended 30 June 2017 would decrease by 20% to 30% as compared with that in the corresponding period in 2016 (Net profit attributable to the shareholders of the Company: HK\$380,083,000 in 2016).

Although it was estimated that there will be (i) approximately 9% to 13% increase in turnover; (ii) approximately 14% to 18% increase in gross profit; and (iii) approximately 1% increase in gross profit margin as compared with that in the corresponding period in 2016, the estimated decrease in the net profit attributable to the Shareholders was mainly due to the recognition of impairment of trade and other receivables of approximately HK\$53,819,000 and the increase in research and development expenses due to the preparation for the launch of new products.

The Board would like to emphasize that the information contained in this announcement is based on the preliminary review of the Board on the latest unaudited consolidated management accounts of the Company for the six months ended 30 June 2017, which have not been confirmed and finalised by the Company's independent external auditor and audit committee of the Company and may be subject to further adjustments.

The figures above are preliminary estimations only. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2017, which is expected to be published in due course.

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, 7 August 2017

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