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.

通達集團
TONGDA GROUP

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

HIGHLIGHTS

	2016	2015	Change
	HK$'000	*HK$'000*	*%*
Revenue	**7,825,077**	6,074,061	28.8
Gross profit	**1,885,355**	1,512,029	24.7
Gross profit margin	***24.1%***	*24.9%*	*-0.8 b.p.*
Net profit attributable owners of the Company	**1,003,996**	702,839	42.8
Net profit margin	***12.8%***	*11.6%*	*+1.2 b.p.*
Earnings per share			
– Basic	**17.50 cents**	12.60 cents	38.9
– Diluted	**16.14 cents**	11.97 cents	34.8
Dividends	**3.2 cents**	2.1 cents	

The Board of Directors (the "Board") of Tongda Group Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016 (the "Year"), together with the comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2016

	Notes	**2016** **HK$'000**	2015 *HK$'000*
REVENUE	*5*	**7,825,077**	6,074,061
Cost of sales		**(5,939,722)**	(4,562,032)
Gross profit		**1,885,355**	1,512,029
Other income and gains, net	*5*	**96,962**	48,743
Selling and distribution expenses		**(120,832)**	(148,535)
General and administrative expenses		**(557,807)**	(445,207)
Other operating expenses, net		**(34,996)**	(38,824)
Finance costs	*6*	**(78,264)**	(55,660)
Share of profits/(losses) of associates		**110**	(286)
Share of profit of a jointly-controlled entity		**6,023**	–
PROFIT BEFORE TAX	*7*	**1,196,551**	872,260
Income tax expense	*8*	**(176,077)**	(134,285)
PROFIT FOR THE YEAR		**1,020,474**	737,975
Attributable to:			
Owners of the Company		**1,003,996**	702,839
Non-controlling interests		**16,478**	35,136
		1,020,474	737,975
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*10*		
– Basic		**HK17.50 cents**	HK12.60 cents
– Diluted		**HK16.14 cents**	HK11.97 cents

Details of the dividends are disclosed in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2016

	2016	2015
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**1,020,474**	737,975
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Gain on property revaluation	**4,900**	1,393
Income tax effect	**(810)**	(230)
	4,090	1,163
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations		
– subsidiaries	**(202,158)**	(129,651)
– associates	**(124)**	(107)
– jointly-controlled entity	**(2,836)**	–
Release of exchange reserve upon disposal of an associate	**(139)**	–
	(205,257)	(129,758)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX	**(201,167)**	(128,595)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**819,307**	609,380
Attributable to:		
Owners of the Company	**803,032**	575,682
Non-controlling interests	**16,275**	33,698
	819,307	609,380

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**3,287,981**	2,627,744
Investment property		**57,791**	53,902
Prepaid land lease payments		**208,795**	58,198
Investments in associates		**134**	2,666
Investment in a jointly-controlled entity		**64,162**	–
Prepayments		**53,635**	57,842
Long term deposits		**198,364**	248,299
Loan to a non-controlling shareholder of a subsidiary		**1,500**	1,500
Deferred tax assets		**3,703**	3,703
Total non-current assets		**3,876,065**	3,053,854
CURRENT ASSETS			
Inventories	*11*	**1,739,740**	1,605,937
Trade and bills receivables	*12*	**3,361,909**	2,682,939
Prepayments, deposits and other receivables		**410,533**	309,872
Due from a jointly-controlled entity		**1,694**	–
Loan to a jointly-controlled entity		**67,288**	–
Tax recoverable		**1,532**	287
Pledged deposits		**262,150**	173,581
Cash and cash equivalents		**869,082**	762,392
Total current assets		**6,713,928**	5,535,008
CURRENT LIABILITIES			
Trade and bills payables	*13*	**2,156,286**	1,572,221
Accrued liabilities and other payables		**414,646**	324,473
Interest-bearing bank and other borrowings		**1,489,958**	976,356
Due to a jointly-controlled entity		**51,197**	–
Tax payable		**220,673**	192,029
Total current liabilities		**4,332,760**	3,065,079
NET CURRENT ASSETS		**2,381,168**	2,469,929
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,257,233**	5,523,783

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2016

	Notes	**2016** **HK$'000**	2015 *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**609,869**	519,321
Convertible bonds		**876,514**	873,028
Due to a former non-controlling shareholder of a subsidiary		**30,034**	30,034
Deferred tax liabilities		**74,511**	62,082
Total non-current liabilities		**1,590,928**	1,484,465
Net assets		**4,666,305**	4,039,318
EQUITY			
Equity attributable to owners of the Company			
Share capital	*14*	**57,805**	57,257
Reserves		**4,610,093**	3,999,929
		4,667,898	4,057,186
Non-controlling interests		**(1,593)**	(17,868)
Total equity		**4,666,305**	4,039,318

NOTES

1. CORPORATE INFORMATION

Tongda Group Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, Cayman Islands.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are manufacture and sale of components of handsets, notebook computers and electrical appliances, ironware products and other electronic products. There were no significant changes in the nature of principal activities of the Company's subsidiaries during the year.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for a leasehold building in Hong Kong classified as property, plant and equipment and the investment property which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2. BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised standards for the first time for the current year's financial statements.

Amendments to HKFRS 10 HKFRS 12 and HKAS 28 (2011),	*Investment Entities: Applying the Consolidated Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

As explained below, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

3. **CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

- HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale of or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any plan of sale during the year.

4. OPERATING SEGMENT INFORMATION

The following tables present revenue, profit and certain assets and liabilities information for the Group's operating segments for the years ended 31 December 2016 and 2015.

	Electrical fittings		Ironware parts		Communication facilities and others		Eliminations		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**6,439,335**	4,780,254	**524,331**	471,902	**861,411**	821,905	**–**	–	**7,825,077**	6,074,061
Intersegment sales	**51,504**	6,592	**162,115**	6,094	**85,369**	3,049	**(298,988)**	(15,735)	**–**	–
Total	**6,490,839**	4,786,846	**686,446**	477,996	**946,780**	824,954	**(298,988)**	(15,735)	**7,825,077**	6,074,061
Segment results before depreciation and amortisation	**1,312,540**	971,004	**11,304**	33,908	**151,210**	133,141	**–**	–	**1,475,054**	1,138,053
Depreciation	**(230,482)**	(174,440)	**(28,977)**	(19,416)	**(11,220)**	(9,085)	**–**	–	**(270,679)**	(202,941)
Amortisation	**(1,686)**	(1,285)	**(2,514)**	(1,590)	**(16)**	(80)	**–**	–	**(4,216)**	(2,955)
Segment results	**1,080,372**	795,279	**(20,187)**	12,902	**139,974**	123,976	**–**	–	**1,200,159**	932,157
Unallocated income									**96,962**	25,930
Corporate and other unallocated expenses									**(28,439)**	(29,881)
Finance costs									**(78,264)**	(55,660)
Share of profits/(losses) of associates									**110**	(286)
Share of profit of a jointly-controlled entity									**6,023**	–
Profit before tax									**1,196,551**	872,260
Income tax expense									**(176,077)**	(134,285)
Profit for the year									**1,020,474**	737,975

4. OPERATING SEGMENT INFORMATION (continued)

	Electrical fittings		Ironware parts		Communication facilities and others		Eliminations		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:										
Impairment losses/write-down recognised in the income statement*	**(1,364)**	(19,474)	**–**	(5,693)	**–**	(134)	**–**	–	**(1,364)**	(25,301)
Impairment losses reversed in the income statement**	**15,405**	31	**4,103**	–	**1,820**	168	**–**	–	**21,328**	199
Capital expenditure***	**965,397**	1,085,601	**214,023**	42,234	**35,383**	5,365	**–**	–	**1,214,803**	1,133,200
Segment assets	**7,806,550**	6,336,103	**839,607**	675,920	**672,591**	632,710	**–**	–	**9,318,748**	7,644,733
Unallocated assets									**1,271,245**	944,129
Total assets									**10,589,993**	8,588,862
Segment liabilities	**2,111,419**	1,499,662	**204,699**	215,514	**254,814**	181,518	**–**	–	**2,570,932**	1,896,694
Unallocated liabilities									**3,352,756**	2,652,850
Total liabilities									**5,923,688**	4,549,544

* Included impairment of trade receivables, write-off of trade receivables, provision against obsolete inventories and impairment of an other receivable.

** Included write-back of impairment of trade receivables and provision against inventories.

*** Capital expenditure consists of additions to property, plant and equipment and prepaid land lease payments.

4. **OPERATING SEGMENT INFORMATION (continued)**

Geographical information

		Mainland China		Southeast Asia		Middle East		Others		Consolidated	
		2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
(a)	Revenue from customers										
	Segment revenue:										
	Sales to external customers	**7,265,559**	5,501,365	**270,184**	414,978	**166**	2,560	**289,168**	155,158	**7,825,077**	6,074,061
(b)	Non-current assets	**3,761,720**	3,004,911	**-**	-	**-**	-	**44,846**	41,074	**3,806,566**	3,045,985

The revenue information above is based on the locations of the customers.

The non-current assets information above is based on the locations of the assets and excludes investments in associates, investment in a jointly-controlled entity, a loan to a non-controlling shareholder of a subsidiary and deferred tax assets.

Information about major customers

Revenues from the following customers contributed over 10% of the total sales of the Group:

	2016	2015
	HK$'000	*HK$'000*
Customer A	**1,693,508**	1,545,105
Customer B	**1,515,929**	1,035,276
Customer C	**1,117,697**	N/A
	4,327,134	2,580,381

Revenue from Customer A, Customer B and Customer C was derived sales by electrical fittings segment, including sales to a group of entities which are known to be under common control of the respective customers. Revenue from Customer C contributed less than 10% of the total sales of the Group for the year ended 31 December 2015.

5. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Sale of:		
Electrical fittings	**6,439,335**	4,780,254
Ironware parts	**524,331**	471,902
Communication facilities and others	**861,411**	821,905
	7,825,077	6,074,061
Other income and gains, net		
Bank interest income	**3,842**	7,564
Interest income from a jointly-controlled entity	**1,694**	–
Gross rental income	**9,817**	3,366
Sale of scrap materials	**14,295**	7,912
Government grants*	**51,802**	17,283
Fair value gain on an investment property	**6,395**	1,220
Gain on disposal of an associate	**3,435**	–
Others	**5,682**	11,398
	96,962	48,743

* There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest expenses on bank and other borrowings (including convertible bonds)	**74,121**	44,924
Less: Interest capitalised#	**–**	(988)
	74,121	43,936
Interest expenses on discounted bills	**4,143**	11,724
	78,264	55,660

During the year ended 31 December 2015, interest of HK$988,000 arising from certain funds borrowed generally used for the purpose of constructing certain leasehold buildings situated in Mainland China was capitalised and included in the cost of leasehold buildings in Mainland China.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2016	2015
	HK$'000	*HK$'000*
Cost of inventories sold	**5,939,722**	4,562,032
Depreciation	**270,679**	202,941
Amortisation of prepaid land lease payments	**2,699**	1,364
Amortisation of prepayments	**1,517**	1,591
Research and development costs	**162,687**	128,927
Minimum lease payments under operating leases	**61,117**	44,785
Employee benefit expense (excluding directors' remuneration):		
Salaries and wages	**1,555,714**	1,133,006
Equity-settled share option expense	**4,360**	4,293
Pension scheme contributions	**61,924**	51,372
Less: amounts included in research and development costs	**(53,740)**	(31,601)
	1,568,258	1,157,070
Loss/(gain) on disposal of items of property, plant and equipment*	**(312)**	1,170
Gain on disposal of an associate	**(3,435)**	–
Foreign exchange differences, net*	**43,231**	22,813
Changes in fair value of an investment property	**(6,395)**	(1,220)
Impairment of trade receivables*	**975**	9,347
Impairment of an other receivable*	**–**	5,212
Write-off of trade receivables*	**389**	405
Write-back of impairment of trade receivables*	**(11,609)**	(199)
Write-back of provision against inventories	**(9,719)**	–
Provision against inventories	**–**	10,337

These balances are included in "Other operating expenses, net" on the face of the consolidated income statement.

Cost of inventories sold includes HK$1,636,781,000 (2015: HK$1,243,471,000) relating to staff costs, operating lease rentals of leasehold land and buildings, provision/(write-back of provision) against inventories, amortisation of prepayments and depreciation, which are also included in the respective total amounts disclosed above for each of these types of expenses.

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2016	2015
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**20,144**	3,510
Underprovision/(Overprovision) in prior years	**(218)**	447
	19,926	3,957
Current – Elsewhere		
Charge for the year	**172,919**	132,334
Overprovision in prior years	**(28,880)**	(16,049)
	144,039	116,285
Deferred	**12,112**	14,043
Total tax charge for the year	**176,077**	134,285

9. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Dividends paid during the year:		
Final in respect of the financial year ended 31 December 2015 – HK2.1 cents per ordinary share (2015: final dividends of HK2.0 cents per ordinary share, in respect of the financial year ended 31 December 2014)	**120,449**	109,383
Interim – HK2.0 cents (2015: HK1.6 cents) per ordinary share	**114,713**	91,610
	235,162	200,993
Proposed final dividend:		
Final – HK3.2 cents (2015: HK2.1 cents) per ordinary share	**184,976**	120,240

The proposed final dividend of HK3.2 cents per ordinary share (2015: HK2.1 cents per ordinary share) for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the final dividend payable.

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 5,736,711,000 (2015: 5,578,538,000) in issue during the year, as adjusted to reflect the new shares issued during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2016	2015
	HK$'000	*HK$'000*
Earnings:		
Profit for the year attributable to owners of the Company used in the basic earnings per share calculation	**1,003,996**	702,839
Interest on convertible bonds	**12,286**	4,340
Profit for the year attributable to owners of the Company before interest on convertible bonds	**1,016,282**	707,179
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,736,711**	5,578,538
Effect of dilutive potential ordinary shares arising from		
– share options	**71,981**	93,127
– convertible bonds	**488,889**	238,489
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**6,297,581**	5,910,154

11. INVENTORIES

	2016	2015
	HK$'000	*HK$'000*
Raw materials	**445,259**	412,742
Work in progress	**426,385**	421,146
Finished goods	**868,096**	772,049
	1,739,740	1,605,937

As at 31 December 2016, moulds of HK$259,333,000 (2015: HK$223,785,000) are included in the finished goods.

12. TRADE AND BILLS RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**3,155,291**	2,440,733
Impairment allowances	**(35,725)**	(48,835)
	3,119,566	2,391,898
Bills receivable	**242,343**	291,041
	3,361,909	2,682,939

It is the general policy of the Group to allow a credit period of three to six months. In addition, for certain customers with long-established relationships and good repayment histories, a longer credit period may be granted in order to maintain a good relationship. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. Trade receivables are non-interest-bearing.

12. TRADE AND BILLS RECEIVABLES (continued)

An aged analysis of the Group's trade and bills receivables as at 31 December 2016, based on the invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 3 months	**3,144,711**	2,363,751
4 to 6 months, inclusive	**192,446**	274,776
7 to 9 months, inclusive	**21,696**	25,976
10 to 12 months, inclusive	**8,312**	10,068
More than 1 year	**30,469**	57,203
	3,397,634	2,731,774
Impairment allowances	**(35,725)**	(48,835)
	3,361,909	2,682,939

13. TRADE AND BILLS PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**1,388,933**	1,049,275
Bills payable	**767,353**	522,946
	2,156,286	1,572,221

The trade payables are non-interest-bearing and are normally settled on 60 to 90 days terms. An aged analysis of the Group's trade and bills payables as at 31 December 2016, based on the invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 3 months	**1,655,346**	1,198,928
4 to 6 months, inclusive	**472,074**	349,159
7 to 9 months, inclusive	**7,444**	7,375
10 to 12 months, inclusive	**3,082**	2,521
More than 1 year	**18,340**	14,238
	2,156,286	1,572,221

14. SHARE CAPITAL

	2016	2015
	HK$'000	*HK$'000*
Issued and fully paid:		
5,780,450,000 (2015: 5,725,650,000) ordinary shares	**57,805**	57,257

CHAIRMAN'S STATEMENT

I am pleased to announce the annual results of Tongda Group Holdings Limited (the "Company", together with its subsidiaries, the "Group" or "Tongda Group") for the year ended 31 December 2016 (the "Year") on behalf of the board of directors of the Company (the "Board").

Riding on the increasing market share of our major customers and keeping abreast of the prevailing trend towards adapting metal casing, the total turnover of the Group surged by 28.8% to HK$7,825.1 million (2015: HK$6,074.1 million), gross profit increased by 24.7% to HK$1,885.4 million (2015: HK$1,512.0 million). Profit attributable to shareholders amounted to HK$1,004.0 million (2015: HK$702.8 million), representing a year-on-year growth of 42.8%. Gross profit margin is approximately 24.1% (2015: 24.9%) and net profit margin climbed to 12.8% (2015: 11.6%). The Group has been committed to bringing fruitful returns to shareholders and has maintained a stable dividend payout history. For the Year, the Board recommends payment of a final dividend of HK3.2 cents per share (2015: HK2.1 cents). Together with the paid interim dividend of HK2.0 cents per share (2015: HK1.6 cents), the total dividend for the Year will amount to HK5.2 cents per share (2015: HK3.7 cents).

2016 was an encouraging year, during which the major customers of the Group achieved excellent performance in the handsets market. Partnered with our major customers, we have consistently shown our brilliant ability in the design of precise molds, our quality metal treatment technologies and diversified surface decorating craftsmanship. During the Year, we further enhanced productivity of metal casings and endeavored to deliver casings with a better appearance, and our achievement have been well recognized. Since Chinese market is the largest handset market in the world and metal casings are still expected as a standard feature of domestic handsets in the future, we are setting up more plants to cope with the increasing demands.

During the Year, our product portfolio had been successfully extended from exterior parts to high-precision internal parts for handsets. There are increasing emphasis towards the waterproof function of handsets in the market, several international brands have taken the lead in applying waterproof design. With the high-quality and market-leading liquid-silicone rubber ("LSR") and precision rubber parts, the Group has been successfully entered the supply chain of the international leading handsets brand last year. This action not only enabled the Group to develop a new product line, but also demonstrated an important milestone of the Group to work with international brands on high-end handsets. The Group successfully developed a number of craftsmanship regarding the shockproof, waterproof and dustproof components such as plastic and liquid-silicone rubber forming (P+LSR), metal and liquid-silicone rubber forming (M+LSR) as well as glass and liquid-silicone rubber forming (G+LSR) during the year. With the operating scale of the waterproof parts and precision components growing gradually, the Group built new and separate plants for this customer in order to match with the demand of its popular products in the future.

In addition, we expect that medium-range-to high-end handsets are likely to adopt the solutions applying back covers made of 2D/2.5D/3D glass, ceramic or other materials with metal middle frames, so as to solve the problem of signal shielding. We have carried out research and development on the craftsmanship of 3D glass surface processing in the previous year, coupled with our exterior parts with different textures produced over the years leveraging our excellent craftsmanship and extensive experience, it is believed that new products will be launched when there are opportunities.

The automotive business, which has been explored over the past few years, has entered into a period of rapid development. By continuously leveraging the advantages of its experience in the In-Mould Lamination ("IML") technology and surface treatment craftsmanship, the Group secured several new customers during last year. Given the previous stable growth of the domestic market and the domestic brands are putting increasing emphasis on the craftsmanship of interior decorative components, it is expected that such business will be another growth highlight of the Group in the future.

With the ever-changing trends in the materials for smart mobile device casing as well as the continuous upgrade and improvement of the decorating craftsmanship, we identify the need to enhance our precision, quality and efficiency. We will actively devote our best endeavor and seize every single second to strengthen our own competitiveness and pay efforts in consolidating the relationships with customers while further developing our existing businesses with blooming advantages.

APPRECIATION

The Group would not have achieved such an outstanding performance without the dedicated efforts of all the staff and the management team. On behalf of the Board, I would like to take this opportunity to express gratitude towards the dedicated effort and valuable contribution of the management and all the staff of the Group. We hope to have your continuous support in the future. We will continue to work hand in hand with our shareholders and staff so as to march together towards a brighter future.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Electrical Fittings Division

Being the world's leading solutions provider of high-precision components for smart mobile communications and consumer electronic products, the Group provides products including casings and components for handsets, electrical appliances and notebook computers and delivers one-stop product solutions for both domestic and international customers. During the Year, the Group continued to focus on technology advancement and expansion on production capacity, resulting in revenue growth by 34.7% from HK$4,780.3 million last year to approximately HK$6,439.3 million, representing 82.3% of the total turnover of the Group.

Handsets

During the Year, shipments from the major customers of the Group experienced rapid growth, and the market penetration of metal casings rose vigorously, driving revenue to increase by 44.7% from HK$3,712.4 million in 2015 to approximately HK$5,371.4 million, representing 68.6% of the total turnover.

The Group is committed to improving its edges in craftsmanship and customer base. The Group has previously seized the replacement opportunities of metal casings for handsets, and enhanced its production capacity actively during the Year. In terms of the craftsmanship of metal components, the Group has advanced technologies in areas such as vertically integrated metal forging technology, Nano Molding Technology and CNC processing, and the techniques necessary for casing processing, including anodic oxidation, painting and polishing, or even peripheral fittings of handset such as precision components ranging from 3D glass and ceramic back cover to metal casings with RF antenna integration, Liquid Silicone Rubber ("LSR") and precision rubber molding parts, the Group has been committed to the improvement of technology, leading to further improvement in the processing efficiency during the Year.

Furthermore, the continuous introduction of quality customers and increasing its shares within the customer base has brought more opportunities to the Group. Smartphone market in the People's Republic of China (the "PRC") remains the largest handset market worldwide, while most of our major customers have been ranked among top five brands of the PRC, and the Group joined force with them during the Year to offer metal handset casings for various flagship handsets and mid-range-to-high end handsets. In addition, leveraging on its high-quality and leading LSR and precision rubber pressing parts, the Group has expanded its customer base to an international leading brand during the Year. At the same time, the Group successfully developed a number of products regarding the shockproof, waterproof and dustproof components such as plastic and liquid-silicone rubber forming (P+LSR), metal and liquid-silicone rubber forming (M+LSR) as well as glass and liquid-silicone rubber forming (G+LSR). These products are the important components of waterproof and dustproof handsets and enable the Group to expand into the supply chain of its handset products, thereby enabling the Group to explore new room for development.

Electrical Appliances

While the domestic market of electrical appliances has shown a mild growth during the Year, the sales of the electrical appliances business still represents 7.7% of the turnover, amounting to HK$599.0 million. The Group mainly focuses on offering casings and panels with trendy designs for high-end household appliances such as air-conditioners, refrigerators, washing machines and rice-cookers, as well as manufacturing sensors for the panels. Major customers of the Group include well-known household electrical appliance brands from China such as Haier, Gree and Midea and customers from overseas like Panasonic, Zojirushi, Electrolux, General Electric and Whirlpool.

Notebook Computers

As the business of notebook computers has improved in the second half of last year, revenue of the Year slightly decreased by 2.4% from HK$480.3 million to HK$468.9 million, representing 6.0% of the turnover. Such business mainly involves the production of ultrabook and tablet casings made of precision metal and plastics. During the year, the Group proposed spin-off of the notebook computer and tablet casing segments so as to concentrate its resources in the development of its handset-related core business.

Ironware Parts Division

Revenue of this division in the Year increased by 11.1% from HK$471.9 million last year to HK$524.3 million, representing 6.7% of the turnover. The decrease was mainly attributable to the adverse effect caused by the decreased demand in the metal set top boxes casings. The Group also provided one-stop services to its electrical appliance customers for the production of aluminum parts and precision metal components with different surface effects.

Communication Facilities and Other Business

Sales of this division increased by 4.8% from HK$821.9 million last year to HK$861.4 million, representing 11.0% of the turnover. The division offers a wide variety of products, mainly including digital satellite TV receivers, plastic set top boxes casings, durable household goods, sports equipment and auto motors. By continuously leveraging on the advantages brought by the In-mold Lamination ("IML") technology and surface treatment craftsmanship, the automotive business, for which the Group had laid foundations several years ago, maintained significant growth in last year. In addition to BYD and Ford, six new customers secured during the Year included Geely Auto, Mazda, General Motors and Wuling Motors, which highlighted another development milestone of the Group.

Percentage of total revenue by types of product for the year ended 31 December 2016 and a comparison with 2015 are as follows:

	2016	2015
Electrical Fittings Division	**82%**	79%
i. Handsets	**68%**	61%
ii. Electrical Appliances	**8%**	10%
iii. Notebook Computers	**6%**	8%
Ironware Parts Division	**7%**	8%
Communication Facilities and Other Business	**11%**	13%

Business Prospects

Handsets will remain a core business of the Group in the future. Major brands actively enhance the appearance and texture, price-performance ratio and differentiation of their products. Given the rising penetration rate of metal casings, metal casings with simple design will be applied to budget phones. While metal casings are becoming standard accessories, mid-range-to-high-end handsets changes to use back casings made of 2D/2.5D/3D glass, ceramic or other materials, accompanying with metal middle frame. In fact, with the introduction of new transmission modes such as power charging through wireless antennas and 5G communications, the signal shielding characteristic of metal casings has presented major challenges in antenna design. As such, it is necessary to manufacture back casings made of non-metallic materials, among which, with relatively mature development, back casings made of glass is expected to raise a burst of new trend. The Group has a large variety of glass processing technology, which will accelerate our new business development.

As waterproof feature enables full functioning of mobile devices at a wide variety of occasions, it is expected that this feature will become one of the important specifications for consumers to consider in the market. Some domestic or international handset brands have already incorporated the waterproof features. The high-quality and diverse waterproof parts of the Group will be beneficial to the expansion of market. In light of the increasing demand for waterproofing components and metal parts and in order to respond to our customer needs, the Group has separately built a new plant for the leading international brand for the production of waterproofing components and for potential new orders and expanded its production capacity for metal casings during the Year. The Group will also set up more plants mainly for the manufacturing of metal parts in the coming year.

The automotive business is also a long-term development direction of the Group. The Group will actively approach domestic and joint-venture automotive brands and strive for acquiring more customers and orders, so as to increase market share. At the same time, the Group will continue to ride on the advantages of its core technologies, IML technology and surface treatment craftsmanship, and explore other potential businesses, so as to optimise the synergy effects.

The Group has been awarded and recognized by customers, industry institutions as well as the capital market. All of these demonstrates the recognition and encouragement in relation to the products' quality and management level of the Group from the market and customers. The Group, as always, will continue its in-depth exploration of technologies in relation to the precision components sector and integrate the application of advanced materials, put emphasis in research and development, expand the market and be innovative as well as putting more efforts in research and development, technologies and markets, in order to maintain the leading role within the industry, enhance the level of corporate governance and seize future opportunities.

FINANCIAL REVIEW

For the year ended 31 December 2016, the Group's total revenue reached HK$7,825.1 million, representing an increase of HK$1,751.0 million, or 28.8%, compared with the year ended 31 December 2015. The handset segment continued to deliver strongest growth. Among the top 5 customers, handset customers contributed 64.7% in 2016, which is increased from 57.8% in 2015.

Gross profit of HK$1,885.4 million was HK$373.4 million, or 24.7%, higher than 2015. Gross profit margin was 24.1%, 0.8 percentage point lower than the corresponding period of last year. Profit attributable to owners of the Company amounted to HK$1,004.0 million, representing a rise of 42.8% from HK$702.8 million reported in the corresponding period of 2015. The selling and distribution expenses was decreased by HK$ 27.7 million mainly attributed to the reduced commission which was in line with the decreased sales of the set-top boxes. The administrative expenses was increased by HK$112.6 million mainly due to the listing expenses related to the spin-off, salaries and the research and development expenses. Compared with 2015, other operating expenses, net decreased by HK$3.8 million, mainly attributable to written back of impairment of accounts receivables, reduction of bad debts due to better account receivables management, gain on disposal of associates and exchange losses resulted from depreciation of RMB. In addition, the Company continued to exert a strong financial discipline in managing operating costs in proportion to our expansion together with increased government grants received, leading to an improvement in net profit margin by 1.2 percentage points.

Basic earnings per share amounted to HK17.5 cents, up 38.9% from HK12.6 cents for 2015, in line with the growth in profit attributable to owners of the Company.

As for tax, the Group's major operating subsidiaries fall under different tax regimes in Hong Kong, the PRC and Singapore where different laws and regulations, and specific concessionary incentives apply for some specific locations. During the Year, two of the major subsidiaries are awarded as High New Technology Enterprises and are subjected to a preferential tax rate of 15%, other than this, there have been no major changes in these taxation laws and regulations which have impacted tax expenses for the Group.

The working capital turnover days are significantly improved from 150 days for the year ended 31 December 2015 to 129 days for the year 31 December 2016. The turnover days of inventory was largely reduced from 120 days to 103 days for 2016 and the turnover days of trade receivables was 141 days, 5 days shorter when compared with that of 2015; whilst the turnover days of trade payable remained stable at about 115 days for the year ended 31 December 2016. The handset segments played a more significant role in the business, whilst its working capital cycle is relatively shorter; at the same time, the Group also exert a more tighten inventory management control which lead to the improvement in the working capital cycle.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group had a solid financial position and continued to maintain a strong and steady cash inflow from operating activities. During the year ended 31 December 2016, the Group's primary sources of funding included cash generated from operating activities and the credit facilities provided by the Group's principal banks.

As at 31 December 2016, the Group had cash and cash equivalents and pledged deposits of HK$1,131.2 million (31 December 2015: HK$936.0 million), and without holding any structural investment contract, of which approximately HK$262.2 million (31 December 2015: HK$173.6 million) has been pledged to banks as security for trade financing. As at 31 December 2016, the Group had total assets of HK$10,590.0 million (31 December 2015: HK$8,588.9 million), net current assets of HK$2,381.2 million (31 December 2015: HK$2,469.9 million) and equity of HK$4,666.3 million (31 December 2015: HK$4,039.3 million). Management believes that the Group's current cash and cash equivalents, together with available credit facilities and expected cash flow from operations, will be sufficient to satisfy its current operational requirements.

GEARING RATIO AND INDEBTEDNESS

As at 31 December 2016, the gearing ratio of the Group (consolidated net debt/total equity) was 39.5% (31 December 2015: 35.5%). As at 31 December 2016, other than the non-current portion of bank loans of HK$609.9 million (31 December 2015: HK$519.3 million) and convertible bonds of HK$876.5 million (31 December 2015: HK$873.0 million), the Group had bank and other borrowings of HK$ 1,490.0 million (31 December 2015: HK$976.4 million) which will be repayable within one year from the end of the reporting period.

CAPITAL EXPENDITURE

The Group incurred capital expenditure of HK$1,214.8 million during the year ended 31 December 2016 (31 December 2015: HK$1,133.2 million), mainly for the additions of property, plant and equipment for expansion of its capacity in handset segment. Management believes that the Group's ability to invest in capital expenditure in timely anticipation of demand is a competitive advantage of the Group. In the foreseeable future, a higher proportion of capital expenditure will likely be focused on the handset segments. Capital expenditures are generally funded by internal resources and credit facilities.

FOREIGN EXCHANGE

Given our operations and presence become more international, the Group faces foreign exchange exposure including transaction and translation exposure. As far as possible, the Group aims to achieve natural hedging by investing and borrowing in the functional currencies. Where a natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange contracts. The Group has not entered nor will it enter into any derivative transactions for speculative trading purposes at 31 December 2016.

CHARGES ON GROUP ASSETS

Apart from bank deposits amounting to HK$262.2 million (31 December 2015: HK$173.6 million) that were pledged to banks and a leasehold building in Hong Kong with a carrying value amount of HK$44.5 million (31 December 2015: HK$40.5 million) mortgaged by the Group as at 31 December 2016, no other assets of the Group were charged to any financial institutions.

EMPLOYEE INFORMATION

As at 31 December 2016, the Group employed a total of approximately 18,000 permanent employees, a decrease from approximately 20,000 as at 31 December 2015, due to the increase in the outsourcing procedures and more dispatched workers. Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. Management regularly reviews the Group's remuneration policy and appraises the work performance of its staff. Employee remuneration includes salaries, allowances, bonuses, social insurance and mandatory pension fund contribution. As required by the relevant regulations in the PRC, the Group participates in the social insurance schemes operated by the relevant local government authorities. The Group also participates in the mandatory pension fund, labour pension and mandatory provident fund schemes for our employees in Hong Kong, Taiwan and Singapore respectively.

Past Performance and Forward Looking Statements

The performance and the results of operation of the Group as set out in this final results announcement are historical in nature and past performance is not a guarantee of future performance. This final results announcement may contain certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board regarding the industry and markets in which it operates. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the directors of the Company (the "Director(s)"), employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this final results announcement of the Company; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

DIVIDENDS

The Company will consider the declaration of dividends based on its earnings, financial position, debt repayment requirements, capital expenditure plans, medium to long-term business strategies and other factors as the Board may deem appropriate. The Board may also from time to time pay to shareholders of the Company (the "Shareholder(s)") such interim dividends to be justified by the profit of the Company and may recommend final dividends for approval by the Shareholders in its annual general meetings. For the year ended 31 December 2016, an interim dividend of HK2.0 cents per ordinary share for the six months ended 30 June 2016 (2015: HK1.6 cents per ordinary share) was paid to the Shareholders. The Board has declared a final dividend of HK3.2 cents (2015: HK2.1 cents) per ordinary share in respect of the year ended 31 December 2016. This proposed final dividend together with the interim dividend already paid amount to total dividends of HK5.2 (2015: HK3.7 cents), an unchanged payout ratio of about 30% of the profit attributable to owners of the Company for the year ended 31 December 2016. Subject to the Shareholders' approval at the forthcoming annual general meeting to be held on 26 May 2017, the said final dividend will be payable to the Shareholders, whose names appear on the register of members of the Company on 2 June 2017. Payment will be made on or about 14 June 2017.

MAJOR CUSTOMERS AND SUPPLIERS

As at 31 December 2016, (i) the Group's largest customer and five largest customers accounted for approximately 21.6% and 64.7% respectively of the Group's total revenue; and (ii) the Group's largest supplier and five largest suppliers accounted for approximately 4.5% and 13.5% respectively of the Group's total purchases (not including purchases of items which are of a capital nature).

As far as the Directors are aware, none of the Directors, their associates or any Shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers or suppliers of the Group.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with all code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") of the Stock Exchange throughout 2016 with certain deviations as mentioned below:

The Company has three independent non-executive Directors, namely Dr. Yu Sun Say, GBM, GBS, SBS, JP, Mr. Cheung Wah Fung, Christopher, SBS, JP, and Mr. Ting Leung Huel Stephen respectively.

The three independent non-executive Directors are not appointed for a fixed term of office, but they are subject to the retirement by rotation and re-election of Directors in accordance with the Articles of Association of the Company, which require one-third of the Directors in office to retire from office by rotation and re-election at each annual general meeting. According to A.4.1 of the CG Code, it requires that all non-executive directors should be appointed for a specific term, subject to re-election. Since their respective appointment will be reviewed when they are due for re-election, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less than those set out in the CG Code.

According to A.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company does not have a separate chairman and chief executive officer and Mr. Wang Ya Nan currently holds both positions. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. In addition, vesting the roles of both chairman and chief executive officer in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies. The balance of power is further ensured by the following reasons:

– Audit Committee (the "AC") is comprised exclusively of all independent non-executive Directors; and

– The independent non-executive Directors have free and direct access to the Company's external auditors and independent professional advisers when considered necessary.

The Board believes that the present structure is considered to be appropriate under the current size of operation, enabling the Company to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Wang Ya Nan, and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

AUDIT COMMITTEE

The Audit Committee comprises all independent non-executive Directors, Mr. Ting Leung Huel Stephen, Mr. Cheung Wah Fung, Christopher and Dr. Yu Sun Say. Mr. Ting takes the chair of the AC. The term of reference of the AC are aligned with the recommendations as set out in "A Guide for Effective Audit Committee" issued by the Hong Kong Institute of Certified Public Accountants and the code provisions as set out in the CG Code. The AC provides accounting and financial advices and recommendations to the Board as well as monitor and safeguard the independence of external auditors and relevant auditing matters. In addition, the AC is responsible to review and supervise the risk management and internal control systems of the Group and transactions with connected persons (if any).

The Group's unaudited interim results for the six months ended 30 June 2016 and annual results for the year ended 31 December 2016 have been reviewed by the AC which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made. The Audit Committee has also reviewed the effectiveness of the risk management and the internal control systems of the Company and considers the risk management and internal control systems to be effective and adequate.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, its holding company, nor any of its subsidiaries redeemed or sold any of the Company's listed securities during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "Model Code") as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiries of the Directors, the Directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the annual report for the year ended 31 December 2016 of the Company.

AUDITORS

Ernst & Young will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

PUBLICATION OF FINAL RESULTS

This announcement will be published on the websites of the Stock Exchange and the Company.

The annual report of the Company for the financial year ended 31 December 2016 containing all the information required by appendix 16 to the Listing Rules and other applicable laws and regulations will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

PROPOSED FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK3.2 cents per share for the year ended 31 December 2016. The proposed final dividend will be paid to the Shareholders whose names appear on the register of members of the Company as at the close of business on 2 June 2017, if the proposal is approved by the Shareholders at the forthcoming annual general meeting of the Company. It is expected that the final dividend will be paid on or about 14 June 2017.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "Annual General Meeting") will be held on 26 May 2017. A notice convening the Annual General Meeting will be published on the websites of the Stock Exchange and the Company and despatched to the Shareholders on or before 30 April 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 5 June 2017 to 7 June 2017 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend for the year ended 31 December 2016, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on 2 June 2017.

APPRECIATION

Lastly, I would like to thank all the staff and the management team for their hard work in the past year. I would also like to express heartfelt gratitude to all of our customers and suppliers on behalf of the Group, and wish for their continuous supports in the future. We will keep working closely with our shareholders and employees to steer the Group to a more modernised and sophisticated level of operation, through which we aspire to turn to a new chapter in the Group's development.

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

Hong Kong, 20 March 2017

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.