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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 2018**

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 presents the operating performance for the nine months ended 30 September 2018 (the “**Period**”) to shareholders of the Company and potential investors. Based on the unaudited consolidated management accounts of the Group, the turnover of the Period was HK\$6,626 million, representing a growth of 8.1% as compared to HK\$6,127 million for the corresponding period of last year, of which the handset casings and high-precision components business recorded a growth of 15.3% as compared to that of the corresponding period of last year.

**For the nine months ended 30 September**

	<b>2018</b>	<b>2017</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Handset casings and high-precision components	4,821	4,180
Notebook computers	83 <sup>Note (1)</sup>	352 <sup>Note (2)</sup>
Others	1,722	1,595 <sup>Note (2)</sup>
 Total	6,626	6,127

The turnover of the third quarter of 2018 was HK\$2,476 million, representing a decrease of 1.3% as compared to HK\$2,509 million for the third quarter of last year, which was primarily due to no revenue contribution from the notebook computers business being recorded by the Group upon the successful spin-off of the notebook computers business and listing on the Main Board of the Hong Kong Stock Exchange in March 2018. Setting aside the notebook computers business in 2018 and 2017 respectively, the turnover of the Period sustained double-digit year-on-year growth.

During the third quarter of 2018 and 2017, the revenue generated from the sales to the top five customers amounted to approximately HK\$1,814 million and HK\$1,702 million, which represented approximately 73% and 68% of the total revenue, respectively. The revenue derived from sales to the top five customers during the Period amounted to approximately HK\$4,447 million, which represented approximately 67% of the total revenue (2017: HK\$3,886 million, represented 63% of the total revenue).

*Note (1):* The turnover from January to March 2018. The Group has spun-off its notebook computers business on 16 March 2018, namely Tongda Hong Tai (2363.HK), which was listed on the Main Board of the Hong Kong Stock Exchange.

*Note (2):* The turnover of notebook computers business from January to August 2017 was HK\$352 million, please refer to page I-5 of the prospectus of Tongda Hong Tai. Figures of September were not disclosed due to the confidentiality of information and were included in others.

	For the third quarter			For the nine months ended		
	2018	2017	Changes	30 September		
	<i>HK\$ million</i>	<i>HK\$ million</i>		2018	2017	Changes
				<i>HK\$ million</i>	<i>HK\$ million</i>	
Top five customers						
– Handsets	1,694	1,344	26.0%	3,876	3,222	20.3%
– Non-handsets	120	358	-66.5%	571	664	-14.0%
Sub-total	1,814	1,702	6.6%	4,447	3,886	14.4%
Other customers	662	807	-18.0%	2,179	2,241	-2.8%
Total	2,476	2,509	-1.3%	6,626	6,127	8.1%

During the third quarter, the Group has officially become the supplier of Samsung, and has already supplied casings for its new handset model, namely J6+. Currently, the world's top five handset brands are the customers of the Group. During the third quarter, the Group has also supplied casings for multiple handset models, including Oppo R15x, Oppo K1, Oppo A7, Oppo A5, Oppo A3, Oppo F7, Huawei Enjoy 8 (暢享8), Huawei Honor Play 8c (暢玩8c), Mi 8, Mi Max 3, Redmi 6 Pro, Redmi 5 Plus, Redmi Note 5, Nokia 6.1 plus, Nokia 5.1 plus, Nokia 2.1, etc. The Group possesses comprehensive and mature surface treatment technology that fully covers the demand for “Glastic” back covers, metal middle frames and casings and glass back covers and casings, and will continue to be heavily engaged in developing new products in the future to strengthen its good cooperative relationships with both new and old customers. For waterproof/dustproof/shockproof and precision components, an international customer has released a new handset model during the third quarter. The Group has also been providing more rubber molding parts, liquid-silicone rubber and precise insert molding parts, which also resulted in an increase in the customer's share of the Group.

The Group noted that the interest rate has been rising recently. As a result, the Group will enhance its monitoring in the future, and conduct hedging activities to reduce risks when necessary. The Group will endeavor to arrange the matching of foreign currency assets and foreign currency liabilities to achieve natural hedging, thereby minimizing the risk of foreign exchange exposure caused by asset-liability mismatch. The Group will also carefully consider to conduct currency interest rate swap arrangements in due course to hedge the corresponding risks.

**The Board hereby reminds shareholders and potential investors that the above information was prepared based on the unaudited consolidated management accounts of the Group which have neither been reviewed nor audited by the auditors of the Company. The operational information for 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 aforesaid information and they are advised to exercise caution in dealing in the securities of the Company.**

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

Hong Kong, 25 October 2018

*As at the date of this announcement, the Board comprises Mr. Wang Ya Nan, Mr. Wang Ya Hua, Mr. Wong Ah Yeung and Mr. Wang Ming Che as executive Directors; Mr. Wong Ah Yu and Ms. Chan Sze Man as non-executive Directors; and Dr. Yu Sun Say, GBM, GBS, SBS, JP, Mr. Cheung Wah Fung, Christopher, SBS, JP and Mr. Ting Leung Huel Stephen as independent non-executive Directors.*