



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 THREE MONTHS ENDED 31 MARCH 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 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 of the Company for the three months ended 31 March 2017 (the “**Period**”) to shareholders and holders of securities of the Company and potential investors.

Based on the unaudited consolidated management accounts of the Company for the Period, the turnover of the Company amounted to approximately HK\$1,784.5 million (corresponding period in 2016: HK\$1,367.7 million), representing a growth of approximately 30.5% as compared to the corresponding period of last year. The increase was mainly derived from the handset segment. Due to the increase in the contribution from two major customers and a broadened customer base, offsetting the drop in contribution from one customer, declining sales of a product near its cycle end and production volume of the new model yet to be ramped up, revenue of the handset segment was increased by 41% when compared with the corresponding period of last year.

Revenues derived from the top 3 customers

	2017	2016	Changes	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Customer A	453,136	278,295	174,481	62.8
Customer B	219,251	334,976	(115,725)	(34.8)
Customer C	169,085	98,593	70,492	71.5

Revenue from Customer A, Customer B and Customer C were derived from sales by electrical fittings – handset segment.

During the Period, most of the handsets models being produced were metal casings and more than 25 models were mass produced. The major handset models included Huawei Mate 9, P10 and G9, Nova, Maimang 5, Honor 5C, Oppo R9, R9s, A37, A51 and A53, Redmi 3&4, Remi Note 3& Note 4 and Mi Max.

In addition, the Group has successfully launched the product of water-proof handset components in 2016. During the Period, the Group continued to supply the water-proof components, and at the same time conducted research & development of new water-proof components embedded with metal materials, which will be launched in the second half of the year. The Group is also exploring opportunities for expanding its customer base and the range of products that apply the water-proof components.

Regarding the 2.5D and 3D film-decorated glass back cover, the Group has secured orders from an existing customer and mass production is expected to start next quarter. These glass back covers will be supplied with the Group's metal middle supporting frames.

The Board hereby reminds shareholders and potential investors that the above information is 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 unduly 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, 26 April 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.