

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Tongda Hong Tai Holdings Limited, you should at once hand this prospectus together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "16. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, 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 Prospectus.

This Prospectus, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.



TONGDA HONG TAI HOLDINGS LIMITED

通達宏泰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2363)

RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE

Financial Adviser and Placing Agent to the Company



Capitalised terms used in this cover page shall have the same meanings as those defined in this prospectus

Shareholders and potential investors should note that the Rights Issue is conditional upon the fulfillment of the conditions referred to in the paragraph headed "LETTER FROM THE BOARD – RIGHTS ISSUE – Conditions of the Rights Issue" in the Letter from the Board. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 5 April 2024 to Friday, 12 April 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 5 April 2024 to Friday, 12 April 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares and is subject to fulfillment of conditions. Please refer to the section headed "Conditions of the Rights Issue" in this prospectus. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid rights together with the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

28 March 2024

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	Hong Kong Date and Time
First day of dealing in nil-paid Rights Shares	Friday, 5 April 2024
Latest time for splitting the PAL	4:30 p.m., on Tuesday, 9 April 2024
Last day of dealings in nil-paid Rights Shares	Friday, 12 April 2024
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 17 April 2024
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements	Wednesday, 24 April 2024
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent	Thursday, 25 April 2024
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Monday, 29 April 2024
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company	Monday, 6 May 2024
Despatch of share certificates for fully-paid Rights Shares and completion of Unsubscribed Rights Share Placing to take place	Tuesday, 7 May 2024
Despatch of refund cheques, if any, if the Rights Issue is terminated	Tuesday, 7 May 2024
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 8 May 2024
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Tuesday, 30 May 2024

EXPECTED TIMETABLE

All times and dates in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this prospectus are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no.8 or above, or “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning:

- (i) in is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected timetable of the Rights Issue” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcements”	the announcements of the Company dated 12 January 2024, 24 January 2024 and 21 February 2024 in relation to, among other things, the Share Consolidation, the Change in Board Lot Size, Increase in Authorized Share Capital and the Rights Issue
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“Consolidated Share(s)”	ordinary shares of par value HK\$0.1 each in the share capital of the Company after the Share Consolidation became effective
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 29 February 2024 in relation to, among other things, the Rights Issue
“Company”	Tongda Hong Tai Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2363)
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No.21)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 15 March 2024 at which the Rights Issue and the transactions contemplated thereunder have been approved
“Existing Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Latest Practicable Date”	25 March 2024, being the latest practicable date prior to print of this Prospectus for ascertaining certain information included in this Prospectus

DEFINITIONS

“Last Trading Day”	Friday, 12 January 2024, being the date of the Announcement and the last full trading day of the Shares on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 17 April 2024 or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares
“Latest Time for Compensatory Arrangements”	being the latest time for the Placing Agent to determine the list of Placees and to notify the Company of the results of the Placing
“Latest Time for Termination”	4:00 p.m. on Monday, 29 April 2024 or such other time or date as the Placing Agent may agree in writing with the Company, being the latest time for termination of the Placing Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Right Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiries with the legal advisers in the relevant jurisdictions, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong

DEFINITIONS

“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	professional, institutional, corporate or other investor(s), procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of 136,149,382 Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	VBG Capital limited, a licensed corporation carrying out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated Friday, 12 January 2024 entered into between the Company and the Placing Agent in relation to the Placing
“Prospectus Documents”	this Prospectus and the PAL
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 28 March 2024 or such other date as may be agreed between the Company and the Placing Agent in writing, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	Union Registrars Limited of Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company

DEFINITIONS

“Rights Issue”	the issue of the Rights Shares on the basis of two (2) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date at the Subscription Price, payable in full on acceptance and on the terms and subject to the conditions in the Placing Agreement and the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue on the basis of two Rights Shares for every one Consolidated Share in issue on the Record Date, being 136,149,382 Shares based on the Company’s issued share capital as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company from time to time
“Shareholder(s)”	holder(s) of issued Share(s)
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Existing Shares of par value HK\$0.01 each into one (1) Consolidated Share of par value HK\$0.1 each
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.58 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“Unsubscribed Rights Shares” all such Unsubscribed Rights Shares that have not been placed by the Placing Agent or they have been placed but the places have not paid thereof at 4:00 p.m. on 29 April 2024

“%” per cent.

LETTER FROM THE BOARD



TONGDA HONG TAI HOLDINGS LIMITED

通達宏泰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2363)

Executive Directors:

Mr. Wong Ming Li (*Chief Executive Officer*)

Mr. Lee King On Jeff

Mr. Wang Ming Zhi

Independent non-executive Directors:

Mr. Chan Shiu Man

Mr. Wan, Aaron Chi Keung

Mr. Chan Luk On

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal place of business in

Hong Kong:

Room 1203

12th Floor

Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

28 March 2024

*To the Qualifying Shareholders and, for information only,
the Non-Qualifying Shareholders (if any)*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF TWO (2)
RIGHTS SHARES FOR EVERY ONE (1)
CONSOLIDATED SHARE HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcements and the Circular in relation to, among other things, the Share Consolidation, the Change in Board Lot Size, Increase in Authorized Share Capital and the Rights Issue.

LETTER FROM THE BOARD

The purpose of this prospectus is to provide you with, among other things, further information regarding the Rights Issue, certain financial information and other general information of the Group.

RIGHTS ISSUE

The Board proposed to raise up to approximately HK\$79.0 million before expenses by way of a rights issue of 136,149,382 Rights Shares at the Subscription Price of HK\$0.58 each and on the basis of two (2) Rights Share for every one (1) Share held by the Qualifying Shareholders on the Record Date.

Rights Issue Statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.58 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	68,074,691 Consolidated Shares
Number of Rights Shares	:	136,149,382 Rights Shares
Aggregate nominal value of the Rights Shares	:	HK\$13,614,938.20
Total issued shares as enlarged by the Rights Issue	:	204,224,073 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Proceeds to be raised from the Rights Issue	:	Approximately HK\$79.0 million

LETTER FROM THE BOARD

The Subscription Price

The Subscription Price is HK\$0.58 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 1.69% to the adjusted closing price of HK\$0.59 per Consolidated Share (based on the closing price of HK\$0.059 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (ii) equals to the average of the closing prices of approximately HK\$0.58 per Consolidated Share based on the average closing price of HK\$0.058 as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 6.45% to the average of the closing prices of approximately HK\$0.62 per Consolidated Share based on the average closing price of HK\$0.062 as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (iv) equals to the theoretical ex-rights price of HK\$0.58 per Consolidated Share based on the closing price of HK\$0.059 per Share as quoted on the Stock Exchange for the Last Trading Day;
- (v) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 1.69%, represented by the theoretical diluted price of approximately HK\$0.58 per Share to the benchmarked price of approximately HK\$0.59 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Existing Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day and adjusted for the effect of the Share Consolidation); and
- (vi) a discount of approximately 4.92% to the closing price of HK\$0.61 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date.

As at 31 December 2022 and 30 June 2023, the Group recorded a net liabilities position of approximately HK\$203.4 million and HK\$238.2 million respectively.

LETTER FROM THE BOARD

The Subscription Price was determined by Company with reference to the amount of fund raising targeted by the Company under the Rights Issue, the market price of the Shares under the prevailing market conditions and the financial position of the Group. As at 31 December 2022 and 30 June 2023, the Company had net liabilities of approximately HK\$203.4 million and HK\$238.2 million respectively. The Company therefore intends to raise fund in the range of HK\$76.0 million to strengthen the balance sheet position as well as to replenish the general working capital for the Group's business and operation. Further, as illustrated above, the Subscription Price of HK\$0.58 was set at a discount to the recent trading prices of Shares of approximately 6.45% when compared to closing price of Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the Last Trading Day. The Company believes that the discount of the Subscription Price coupled with the 1 to 2 Rights Share allotment basis could encourage the existing Shareholders to participate in the Rights Issue but, at the same time, the dilution effect on those Shareholders who do not participate in the Rights Issue would also be in the acceptable level.

The Directors consider that the terms of the Rights Issue and the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each Rights Share will have a par value of HK\$0.10. The aggregate nominal value of the maximum number of Rights Shares will be HK\$13,614,938.20.

Non-underwritten Basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5) of the Listing Rules.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares, when issued and fully paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank pari passu in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

Qualifying Shareholders and PRC Southbound Trading Investors

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as at the Latest Practicable Date, China Clear held 32,075 Shares, representing approximately 0.04% of the total number of the issued Shares.

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by no later than the Latest Lodging Time.

As at the Latest Practicable Date, the PRC Southbound Trading Investors held a total of 32,075 Shares. The PRC Southbound Trading Investors may participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (a) sell their nil-paid Rights Shares on the Stock Exchange; and/or (b) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

LETTER FROM THE BOARD

The PRC Southbound Trading Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts in ChinaClear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange but cannot purchase any nil-paid Rights Shares or transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions to such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates set out in the Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.

The last day of dealing in the Shares on cum-rights basis is Tuesday, 19 March 2024. The Shares have been dealt with on an ex-rights basis from Wednesday, 20 March 2024.

The Company will file the Prospectus with the CSRC in accordance with the CSRC Notice. After the Company completes such filing, the PRC Southbound Trading Investors may participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (a) sell their nil-paid Rights Shares on the Stock Exchange; and/or (b) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of Overseas Shareholders (if any)

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents to be despatched in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong and the PRC in accordance with the notice issued by the CSRC of Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect (Announcement [2016] No. 21).

LETTER FROM THE BOARD

If there is any Overseas Shareholder at the close of business on the Record Date, pursuant to Rule 13.36(2) of the Listing Rules, the Directors will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In such circumstances, such Overseas Shareholders will become Non-Qualifying Shareholders and the Rights Issue will not be extended to them. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL to them.

Based on the register of members of the Company, as at the Latest Practicable Date, there is 1 Overseas Shareholder with registered address located in the PRC. The Company has sought legal opinion regarding the legal restrictions under the applicable securities legislation of such jurisdiction and the requirements of the relevant regulatory body or stock exchange with respect to the Rights Issue in relation to the Overseas Shareholder and has been advised that there is no restrictions under securities law or other similar laws which would prevent the Company from including the Overseas Shareholder(s) with registered address(es) located in the PRC in the Rights Issue. Based upon such advice, the Overseas Shareholder having registered address in the PRC will not be excluded from the Rights Issue and shall therefore be a Qualifying Shareholder. Accordingly, the Rights Issue will be extended to such Overseas Shareholder having registered address in the PRC.

Arrangements for the NQS Rights Shares

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

Closure of register of members for the Rights Issue

The register of members of the Company has been closed from Friday, 22 March 2024 to Thursday, 28 March 2024 for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure periods.

Basis of provisional allotments

The basis of the provisional allotment shall be two Rights Shares for every one Consolidated Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot and will not accept applications for any fraction of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

Arrangement on Odd Lot Trading

In order to facilitate the trading of odd lots (if any) of the Shares arising from the Rights Issue, the Company will arrange odd lot trading services during Friday, 5 April 2024 to Thursday, 25 April 2024 (both days inclusive). Shareholders who wish to take advantage of this service should contact Mr. Ringo Hui of VBG Capital Limited at 21/F, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong (telephone number: 2200 7611) of such period. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed.

LETTER FROM THE BOARD

Arrangements for the NQS Rights Shares

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be offered for subscription by the Placing Agent to the Placees under the Placing.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank pari passu in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses at their own risk on or before Tuesday, 7 May 2024. If the Rights Issue is terminated, refund cheques in respect of the applications for Rights Shares are expected to be posted on or before Tuesday, 7 May 2024 by ordinary post to the applicants at their own risk.

LETTER FROM THE BOARD

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Application for listing

The Company has applied to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

LETTER FROM THE BOARD

Application for the Rights Shares

The PALs relating to the Rights Shares are enclosed with this prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

Procedures for application and payment or transfer

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, by not later than 4:00 p.m. on Wednesday, 17 April 2024 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed "Expected timetable – Effect of bad weather and/or extreme conditions on the Latest Time for Acceptance of and payment for the Rights Shares"). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to "TONGDA HONG TAI HOLDINGS LIMITED" and crossed "ACCOUNT PAYEE ONLY". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 17 April 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Tuesday, 9 April 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

LETTER FROM THE BOARD

Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realized will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 29 April 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Non-Qualifying Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Non-Qualifying Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

LETTER FROM THE BOARD

The Placing Agreement

Principal terms of the Placing Agreement are summarized as below

On 12 January 2024 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. Details of the Placing Agreement are as follows:

Date : 12 January 2024 (after trading hours of the Stock Exchange)

Placing Agent : VBG Capital Limited

As at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties

Placing commission : The Company shall pay the Placing Agent a placing commission, being 2.0% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which are successfully placed by the Placing Agent

Placing price : The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process

Placing period : The period from Thursday, 25 April 2024 up to 4:00 p.m. on Monday, 29 April 2024, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements

The Unsubscribed Rights Shares are expected to be placed to investors who (or the case may be, their ultimate beneficial owner(s)) are not Shareholders and otherwise Independent Third Parties

LETTER FROM THE BOARD

- Condition precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon the Rights Issue becoming conditional (save for the condition that the Placing Agreement has become unconditional)
- Ranking of Unsubscribed Rights Shares : The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue
- Completion date of the Placing : Monday, 29 April 2024 or such other date as the Company and the Placing Agent may agree

The engagement between the Company and the Placing Agent for the placing of the Placing Shares was determined after arm's length negotiations between the Placing Agent and the Company with reference to the average placing commission of the proposed rights issue exercises as announced in the 3 months period preceding the Last Trading Day on the Stock Exchange, the existing financial position of the Group, the size of the Rights Issue and the market conditions. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms.

The Placing Agent shall, on a best efforts basis during the Placing Period, seek to procure placees who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties for all (or as many as possible) to subscribe for the Unsubscribed Rights Shares and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis.

The Company will ensure that it will continue to comply at all times with the public float requirement under Rule 8.08 after the Placing and the Rights Issue, after the Placing Period, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

LETTER FROM THE BOARD

The Unsubscribed Arrangements are in compliance with the requirements under Rule 7.21(1)(b) under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) given that the Unsubscribed Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company.

The Placing Agent confirms that it is an Independent Third Party. The terms of the Placing Agreement, including the placing commission, were determined after an arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Given that the Company has put in place the Unsubscribed Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the passing by the Shareholders (or the Independent Shareholders, as the case may be) at the EGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (c) the delivery to the Stock Exchange and the filing and registration with the Registrar in Hong Kong respectively one duly certified copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;

LETTER FROM THE BOARD

- (d) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed for to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date; and
- (e) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed.

Undertaking

The Company has not received, as at the Latest Practicable Date, any irrevocable undertaking from any substantial Shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is a “one-stop” manufacturing solution provider of casings for notebooks and other accessories.

As disclosed in the annual report of the Company for the year ended 31 December 2022, the Group’s sales orders and production yield were negatively impacted by internal and external challenges. The fluctuation of material prices, the continual increase in staff costs, the shortage in the supply of semiconductors, and the continuing increase in competition in the market all put pressure to the operations of the Group. As a result, the Group’s sales declined even though the gross loss improved when compared to the previous year.

In light of the financial performance of the Group for the year ended 31 December 2022, the challenges from the fluctuation of material costs and the continuing increase in competition in the market exerting pressure in the operations of the Group in the foreseeable future, the Board considers that it is vital for the Group to have access to additional funding and working capital in order to maintain its competitiveness in the market.

For the year ended 31 December 2022, the Group recorded an increase in net loss from approximately HK\$197.0 million for the year ended 31 December 2021 to approximately HK\$231.4 million for the year ended 31 December 2022, and recorded a net liabilities position of approximately HK\$203.4 million.

LETTER FROM THE BOARD

As at 31 December 2022, the Group recorded current liabilities and non-current liabilities of approximately HK\$149.4 million and HK\$200.4 million respectively, in particular interest-bearing loans of approximately HK\$184.0 million bearing interest at 4.75% per annum with a maturity date due on 1 April 2024. As the Group had cash and cash balances of approximately HK\$7.6 million as at 31 December 2022, the Company will be left with very limited cashflow should it use its cash to satisfy the relevant payables, in particular an initial annual accrued interest of not less than HK\$8.7 million from the interest-bearing loans would far exceed the Group's cash position as at 31 December 2022. In order to turn around from its loss making position, the Directors are of the view that the Company has a pressing need to reduce its level of liabilities in both the short-run and long-run. The Group intends to make partial repayment of payables and interest-bearing loans, subsequently lessening the effect of any accrued interest, and allowing the Group to have greater financial flexibility to allocate any savings towards strategic development and general working capital.

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue are expected to be approximately HK\$79.0 million. The net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK\$3.0 million) are estimated to be approximately HK\$76.0 million. The estimated net subscription price per Rights Shares after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.565.

The Company intends to apply the net proceeds from the proposed Rights Issue of approximately HK\$76.0 million as follows: as to (i) approximately HK\$70.0 million for repayment of loans and other payables of the Group; and (ii) approximately HK\$6.0 million as general working capital of the Group. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance to the same proportion to the above uses. The Company intends to utilize the HK\$70 million out of the HK\$76 million net proceeds from the Rights Issue to repay the bank borrowings of the Group which are repayable within one year. It is intended that the full utilization of the proceeds shall be on or before 30 June 2024. The Group is minded to improve its profitability and alleviate the repayment pressure by, among other things, lowering liabilities and finance costs.

LETTER FROM THE BOARD

The Company has considered (i) placing of new shares; (ii) debt financing; (iii) disposal of assets; and (iv) open offer as fund raising alternatives in comparison to the Rights Issue. However, placing would only be available to certain placees and debt financing would result in additional finance costs and increase the Group's liabilities burden. The Board also considered that debt financing cannot address the high gearing ratio of the Group, and the disposal of assets is not a viable solution to the Group due to the absences of liquid and valuable assets that can generate significant cashflow to improve the financial position of the Group within short time interval. On the other hand, the Board considered that the fundraising by way of the Rights Issue will improve the financial position of the Group immediately. The Board has also considered that open offer is less favorable to the Shareholders compared to the Rights Issue due to the flexibility of the Shareholders being able to sell their entitled nil-paid rights when they do not wish to take up the entitlements under the Rights Issue.

The Rights Issue is an offer to existing Shareholders to participate in the enlargement of the capital base of the Company and enables the Shareholders to maintain their proportionate interests in the Company and continue to participate in development of the Company in the future should they wish to do so. However, those Shareholders who do not participate in the Rights Issue to which they are entitled should note that their shareholding interest in the Company will be diluted.

The Directors consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the proposed Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market; (ii) the proposed Rights issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately prior to the date of the Latest Practicable Date.

LETTER FROM THE BOARD

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes in the shareholding structure of the Company arising from the proposed Rights Issue which are for illustrative purpose only.

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Issue in full; and (iii) immediately after completion of the Rights Shares assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Share in full		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full	
Landmark Worldwide Holdings Limited (<i>Note 1</i>)	18,704,481	27.48%	56,113,443	27.48%	18,704,481	9.16%
Public Shareholders						
Placees	–	0.00%	–	0.00%	136,149,382	66.67%
Other public Shareholders	49,370,210	72.52%	148,110,630	72.52%	49,370,210	24.17%
Total	68,074,691	100.00%	204,224,073	100.00%	204,224,073	100.00%

Note:

- Landmark Worldwide is an investment holding company incorporated in the British Virgin Islands with limited liability, the issued share capital of which is beneficially owned as to 25% by each of Mr. Wang Ya Nan, Mr. Wong Ah Yu, Mr. Wong Ah Yeung and Mr. Wang Ya Hua. Mr. Wang Ya Nan is the sole director of Landmark Worldwide.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS SHARES

Please refer to the paragraph headed “Conditions of the Rights Issue” in this Prospectus. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in the Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

For and on behalf of
Tongda Hong Tai Holdings Limited
Lee King On Jeff
Executive Director

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December, 2020, 2021 and 2022 and the six-month period ended 30 June 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.tongdahongtai.com>) respectively:

- (i) the unaudited financial information of the Group for the six-month period ended 30 June 2023 is disclosed in the 2023 interim report of the Company for the six months ended 30 June 2023 published on 14 September 2023, from pages 12 to 20
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0914/2023091400402.pdf>);
- (ii) the audited consolidated financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 17 April 2023, from pages 39 to 108
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0417/2023041701493.pdf>);
- (iii) the audited consolidated financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 06 April 2022, from pages 37 to 108
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0406/2022040600800.pdf>);and
- (iv) the audited consolidated financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 22 April 2021, from pages 37 to 104
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0422/2021042200969.pdf>).

B. STATEMENT OF INDEBTEDNESS

As at the close of business on 1 February 2024, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

Borrowings

As at the close of business on 1 February 2024, the Group had outstanding borrowings of approximately HK\$267.2 million, comprising (i) unguaranteed and unsecured borrowings from the independent third parties of approximately HK\$259.0 million; (ii) unguaranteed and unsecured borrowings from the related parties of approximately HK\$5.8 million; (iii) unguaranteed and unsecured Shareholder's loan of approximately HK\$2.4 million.

Lease liabilities

As at the close of business on 1 February 2024, the Group had lease liabilities of approximately HK\$9.5 million.

Save as disclosed above, at the close of business on 1 February 2024, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts or other similar indebtedness, lease liabilities or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgage, charges, guarantees or other material contingent liabilities.

C. WORKING CAPITAL STATEMENT

The Board, after due and careful consideration, is of the opinion that, after taking into account the estimated net proceeds from the Rights Issue and its presently available financial resources, including funds internally generated from operation, the Group will have sufficient working capital for its operation for at least the next twelve months from the date of this Prospectus.

D. MATERIAL ADVERSE CHANGE

The Board confirms that there has been no material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

E. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

The Group is a “one-stop” manufacturing solution provider of casings for notebooks and other accessories. The Group is principally engaged in the manufacturing and the sales of the casings and components of notebooks.

As set out in the interim report of the Company for the six months ended 30 June 2023, the Group’s revenue decreased from approximately HK\$82.0 million for the six months ended 30 June 2022 (“IR2022”) to approximately HK\$46.8 million for the six months ended 30 June 2023 (“IR2023”), representing a decrease of approximately 42.9%. Such decrease in revenue was mainly due to the operation restructuring of the Group commenced during FY2022 continued during IR2023 and the Group had carried on with its reassessment of its projects to improve the operating cashflow, resulting in less sales orders received. The Group recorded a gross loss of approximately HK\$6.6 million for IR2023, as compared to a gross profit of approximately HK\$4.6 million for IR2022, which was mainly due to the Group’s production efficiency and yield were impacted negatively by external unfavorable challenges such as increasing geopolitical instability and associated risks, the surge of global inflation tackled by interest rate hike policy in many countries, and the significantly tightened currencies of various major economies while the Group’s operation restructuring commenced during FY2022 continued during IR2023.

In order to improve the business operations and diverse the risks, the Group will continuously implement the tightened cost controls and adjustments on organization structure. The Group will continue to pay attention to the latest development trend of the market of notebook computers, explore the possibilities of relocating its production facilities to lower-cost areas such as South-East Asia and explore to capture business opportunities in the manufacturing of electric vehicles and their infrastructures as well as research and investment in innovative technology projects by making use of our existing production facilities and production techniques.

Given the tough industry challenges, the Group is confident that the business strategies outlined as aforesaid will set it on the trajectory for preserving and generating value to the shareholders of the Company, and will strive to explore more development opportunities to further improve its profitability and create better returns for its shareholders.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been taken place on 30 June 2023.

The unaudited pro forma financial statement of adjusted consolidated net tangible assets of the Group attribute to equity holders of the Company is prepared based on the unaudited net tangible assets of the Group attributable to equity holders of the Company as at 30 June 2023, as extracted from the published interim report of the Company for the six months ended 30 June 2023 and is adjusted for the effect of the Rights Issue.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to equity holders of the Company immediately after completion of the Rights Issue or at any future dates.

	Unaudited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2023 <i>(Note 2)</i> HK\$'000	Unaudited consolidated net tangible liabilities of the Group per Consolidated Share as at 30 June 2023 <i>(Note 3)</i> HK\$	Estimated net proceeds from the Rights Issue <i>(Note 4)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group immediately after the completion of the Rights Issue HK\$'000	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group immediately after the completion of the Rights Issue HK\$
Based on 136,149,382 Rights Shares to be issued at the Subscription Price of HK\$0.58 per Rights Share	(238,243)	(3.50)	75,967	(162,276)	(0.79)

Notes:

1. Based on the 136,149,382 Rights Shares to be issued at the Subscription Price of HK\$0.58 per Rights Share pursuant to the Rights Issue on the basis of two Rights Shares for every one Consolidated Share held and 68,074,691 Shares in issue after Share Consolidation as at the Latest Practicable Date.
2. The unaudited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at 30 June 2023 is based on the capital and reserves attributable to the equity holders of the Company as at 30 June 2023 of approximately HK\$238,243,000, as extracted from the published interim report of the Company for the six months ended 30 June 2023.
3. The calculation of consolidated net tangible assets of the Group per Consolidated Share is based on the 68,074,691 Consolidated Shares in issue as at 30 June 2023 as if the Share Consolidation had become effective as at 30 June 2023.
4. The estimated net proceeds from the Rights Issue are calculated based on 136,149,382 Rights Shares, derived on the basis of two Rights Shares for every one Consolidated Share to be held on the Record date based on 68,074,691 Consolidated Shares in issue immediately before the Rights Issue, to be issued at the Subscription Price of HK\$0.58 per Rights Share, after deduction of the estimated related expenses, including among others, financial advisory fee and other professional fees, which are directly attributable to the Rights Issue, of approximately HK\$3,000,000.

	<i>HK\$'000</i>
Gross proceed	78,967
Less: Transaction costs	(3,000)
	<hr/>
Net proceed	75,967
	<hr/> <hr/>

5. The unaudited pro forma adjusted consolidated net tangible liabilities per Consolidated Share immediately after the completion of the Rights Issue is calculated based on 204,224,073 Consolidated Shares, comprising 68,074,691 Consolidated Shares in issue as at 30 June 2023 as if the Share Consolidation had become effective as at 30 June 2023 and 136,149,382 Rights Shares expected to be issued on the completion of the Rights Issue.
6. No adjustments have been made to reflect any trading results of other transactions of the Group entered into subsequent to 30 June 2023.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of the independent reporting accountants' assurance report received from D & Partners CPA Limited, Certified Public Accountants, the reporting accountants of the Company, in respect of the Company's unaudited pro forma financial information prepared for the purpose of incorporation in this document.

To the Directors of Tongda Hong Tai Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Tongda Hong Tai Holdings Limited (the "**Company**") and its subsidiaries (herein after collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 June 2023 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 28 March 2024 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue of 136,149,382 rights shares at HK\$0.58 per rights share on the basis of two rights shares for every one consolidated share (the "**Rights Issue**") on the Group's financial position as at 30 June 2023 as if the Rights Issue had taken place at 30 June 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2023, on which no auditor's report or review report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Rights Issue in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

D & PARTNERS CPA LIMITED

Certified Public Accountants

Hong Kong, 28 March 2024

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

(a) Share Capital

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

(a) *As at the Latest Practicable Date*

Authorised:		<i>HK\$</i>
<u>600,000,000</u>	Consolidated Shares	<u>60,000,000.00</u>
Issued and fully paid:		
<u>68,074,691</u>	Consolidated Shares	<u>6,807,469.10</u>

(b) *Immediately upon completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders)*

Authorised:		<i>HK\$</i>
<u>600,000,000</u>	Consolidated Shares	<u>60,000,000.00</u>
Issued and fully paid:		
<u>204,224,073</u>	Consolidated Shares	<u>20,422,407.30</u>

The Rights Shares, when allotted and issued, shall rank pari passu in all respects with the Shares then in issue. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be. The Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

Interest in the Company

(i) *Substantial shareholders and other persons' interests in Shares and underlying Shares*

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group and the amount of each of such person's interests in such securities, together with particulars of any options in respect of such capital:

Long position in the Shares:

Name	Number of shares held, capacity and nature of interest			Notes	Total	Approximate percentage of the Company's issued share capital
	Directly beneficially owned	Through controlled corporation				
Mr. Wang Ya Hua	-	18,704,481		1	18,704,481	27.48%
Mr. Wong Ah Yeung	-	18,704,481		1	18,704,481	27.48%
Mr. Wong Ah Yu	-	18,704,481		1	18,704,481	27.48%
Mr. Wang Ya Nan	-	18,704,481		1	18,704,481	27.48%

Notes:

- (1) 18,704,481 Shares are held by Landmark Worldwide, the issued share capital of which is beneficially owned as to 25% by each of Mr. Wong Ah Yu, Mr. Wang Ya Nan, Mr. Wong Ah Yeung and Mr. Wang Ya Hua.

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the date of the Announcement; or (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or (iv) was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTEREST IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

8. LITIGATIONS

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any member of the Group.

9. EXPERT AND CONSENT

The following are the qualification of the expert who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
D & Partners CPA Limited	Certified Public Accountants

D & Partners CPA Limited has given and has not withdrawn their written consent to the issue of this prospectus with the inclusion herein of their letter, report and/or references to their name in the form and context in which they respective appear.

As at the Latest Practicable Date, D & Partners CPA Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, D & Partners CPA Limited did not have any direct or indirect interests in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this prospectus and up to the Latest Practicable Date and are or may be material:

- (a) the Placing Agreement.

11. EXPENSES

The expenses in connection with the Rights Issue, including placing commission, financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to amount approximately HK\$3.0 million, which are payable by the Company.

12. CORPORATE INFORMATION

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Head office and principal place of business in Hong Kong	Room 1203, 12th Floor Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong
Authorised representatives	Mr. Lee King On Jeff Mr. Wong Ming Li
Company secretary	Mr. Lee King On Jeff Room 1203, 12th Floor Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong

Legal advisor to the Company	<p><i>As to Hong Kong laws:</i> CFN Lawyers in association with Broad & Bright Room Nos. 4101-4104, 41/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong</p> <p><i>As to Cayman Islands laws:</i> Conyers Dill & Pearman, Cayman Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands</p>
Financial adviser and Placing agent	VBG Capital Limited 21/F., The Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong
Auditor	D & Partners CPA Limited <i>Certified Public Accountants</i> 2201, 22/F, West Exchange Tower 322 Des Voeux Road Central Sheung Wan Hong Kong
Principal share registrar	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar	Union Registrars Limited Suites 3301-04, 33/F. Two Chinachem Exchange Square 338 King's Road North Point, Hong Kong

Principal bankers

In Hong Kong
Hang Seng Bank Limited
83 Des Voeux Road Central
Central Hong Kong

Standard Chartered Bank (Hong Kong) Limited
32nd Floor,
4-4A Des Voeux Road,
Central Hong Kong

In the PRC
China Construction Bank Changshu Branch
34 North Hai Yu Road
Changshu
Jiangsu Province
PRC

United Overseas Bank (China) Limited
Suzhou Branch
Unit 1801, Tower 1
Jinghope Square
No. 88, Huachi Street
Suzhou Industrial Park
Suzhou
Jiangsu Province
PRC

13. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Correspondence address
<i>Chief Executive Director</i>	
Mr. Wong Ming Li	Room 1203 12th Floor Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Mr. Lee King On Jeff	Room 1203 12th Floor Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Mr. Wang Ming Zhi	Room 1203 12th Floor Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. Chan Shiu Man	Room 1203 12th Floor Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Mr. Wan, Aaron Chi Keung	Room 1203 12th Floor Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Mr. Chan Luk On	Room 1203 12th Floor Shui On Centre 6-8 Harbour Road Wanchai Hong Kong

Audit committee

Mr. Chan Shiu Man (*Chairman*)
Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Mr. Wan, Aaron Chi Keung
Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Mr. Chan Luk On
Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai Hong Kong

Nomination committee

Mr. Chan Shiu Man (*Chairman*)
Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Mr. Wan, Aaron Chi Keung
Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Mr. Chan Luk On
Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Remuneration committee

Mr. Wan, Aaron Chi Keung (*Chairman*) Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Mr. Chan Shiu Man Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Mr. Chan Luk On Room 1203
12th Floor Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Executive Directors

Mr. Wong Ming Li, aged 41, is an executive Director and the chief executive officer (the “CEO”) of the Group. He is responsible for overall strategic directions and business operations of the Group. He has been the general manager of Tongda Suzhou since May 2010 and was re-designated as an executive Director on 21 March 2016 and appointed as the CEO on 24 September 2018. He was employed by Tongda Shishi as a manager of the procurement department from September 2007 to May 2010. Tongda Shishi principally manufactures and sells casings and accessories for handsets and electrical appliance products and Mr. Wong Ming Li was responsible for the overall management of the procurement cycle. He graduated from Macquarie University, Australia with a bachelor’s degree of Commerce in April 2007. He has over 11 years’ experience in the electronics and electrical industry. He is a son of Mr. Wong Ah Yu, a substantial shareholder and nephew of Mr. Wang Ming Zhi, an executive Director and the nephew of Mr. Wong Ah Yeung and Mr. Wang Ya Hua, each of whom is a substantial shareholder of the Company.

Mr. Lee King On Jeff (“Mr. Lee”), aged 42, was appointed as Executive Director and Company Secretary of the Group on 2 December 2022. He is responsible for the finance, strategic planning, and treasury of the Group. Mr. Lee holds a Bachelor of Accounting Degree from The University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants since 2010 and Association of Chartered Certified Accountants since 2020.

Mr. Lee has more than 15 years of experience in listed companies and audit firms and possesses extensive experience in accounting, audit, and financial management. He worked for UMP Healthcare Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 722), from July 2009 to February 2021 with his last position as senior accounting manager and was responsible for, including but not limited to, managing the group treasury functions including cash flow management, risk management and funding. Before that, Mr. Lee worked in different audit firms and was responsible for accounting and auditing.

Mr. Wang Ming Zhi, aged 41, is an executive Director and is responsible for overall strategic directions and financial reporting of the Group. He was appointed as a financial manager of Tongda Suzhou in May 2010 and was re-designated as an executive Director on 21 March 2016. He was an accounting, financial laws and regulations teacher in Shishi Peng Shan Trade and Industrial School* (石獅鵬山工貿學校) from August 2004 to September 2006. From September 2006 to October 2009, he served as an office supervisor in Shishi Wannian Plastic Co., Ltd.* (石獅萬年塑料有限公司) which principally operates in the plastic packaging business and he was responsible for the overall human resources and administration of the company. He has held the position of leader of cost department in Tongda Shishi from October 2009 to May 2010, which he was mainly responsible for cost control, budget forecast and cost analyses of Tongda Shishi. As mentioned above, Tongda Shishi principally manufactures and sells casings and accessories for handsets and electrical appliance products. He has over 10 years' experience in the electronics and electrical industry. He obtained a bachelor's degree in Management (School of Tourism) from Fujian Agriculture and Forestry University (福建農林大學) in July 2004.

Independent non-executive Directors

Mr. Wan, Aaron Chi Keung ("Mr. Wan"), aged 74, obtained an Executive Master of Business Administration from The Chinese University of Hong Kong in 2008 and a Master of Buddhist studies from The University of Hong Kong in 2010. Mr. Wan was appointed as a Justice of the Peace (JP) in 1997 and was awarded the Bronze Bauhinia Star (BBS) in the Hong Kong Special Administrative Region 2004 Honours List. Mr. Wan is engaged in the business of property and chattel valuation and auction and has over 37 years of related experience. Mr. Wan is a fellow of The Royal Institution of Chartered Surveyors, an associate of The Institution of Business Agents, an associate of The Land Institute (London), an associate of The Chartered Institute of Arbitrators and a fellow of The Institute of Administrative Accounting. Mr. Wan is currently appointed as the chairman of the board of Associated Surveyors & Auctioneers Limited, the chief auctioneer of Pruden Asset Consulting and Auctioneers Limited, the honorary chairman of Prucom Digital Solutions Limited, the program presenter of Radio Television Hong Kong TV Programming and Administration Unit "New Legco Review", the program host of Now TV "Comprehensive current affairs", the chairman of EN Lighting Solutions Company Limited and Associated Credit Management Limited, the independent non-executive director of Lee & Man Chemical Company Limited (a company listed on the main

board of the Stock Exchange, stock code: 746) and CNC Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8356). He was an independent non-executive director of Universe Printshop Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8448) from February 2018 to July 2022.

Mr. Chan Shiu Man (“Mr. Chan”), aged 57, was appointed as an independent non-executive Director on 2 December, 2022. He is also a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Mr. Chan is a certified public accountant in Hong Kong. He holds a master degree in finance from University of Hawaii at Manoa of the United States of America (the “US”).

Mr. Chan has over 30 years of experience in financial management and control, corporate restructuring, corporate finance and investment projects evaluation. He has worked for various companies in the US, including a NASDAQ listed company to establish financial operation in Japan, Europe, and the People’s Republic of China (the “PRC”). Mr. Chan also has experience in consulting on corporate finance, project financing and accounting issues to companies in US, Europe and the PRC. From October 2011 to April 2019, Mr. Chan was an independent nonexecutive director of Zhongda International Holdings Limited (stock code: 0909). From August 2016 to September 2022, Mr. Chan was an independent non-executive director of Zhao Xian Business Ecology International Holdings Limited (formerly known as On Real International Holdings Limited) (stock code: 8245). From July 2017 to August 2018, Mr. Chan was a non-executive Director of Century Energy International Holdings Limited (formerly known as China Oil Gangran Energy Group Holdings Limited) (stock code: 8132).

Mr. Chan Luk On (“Mr. Chan”) aged 62, is a senior educator in Hong Kong, especially in national education and innovation and technology education. Mr. Chan Luk On graduated from the Far Eastern Aviation School majoring in radio communications engineering. Mr. Chan Luk On has more than 35 years of experience in education and talent training and has established a number of cram schools and training institutions. Mr. Chan Luk On has established multiple cram schools in Hong Kong and has assisted its students to achieve excellent results. He is currently the Director-General of the International Cultural Exchange Center of the Hong Kong Federation of Education Workers and at the same time, he is also the director of the Innovation and Technology Education Center of the Hong Kong Federation of Education Workers, promoting innovation and technology knowledge among teachers in Hong Kong and the Greater Bay Area, and has cooperated with many well-known high-tech companies, such as SenseTime, China Mobile and NetDragon Websoft in the PRC. In addition, Mr. Chan Luk On serves as a consultant and voluntary work for a number of social groups, such as, the Secretary General of the Hong Kong Scientists Association, the Vice Chairman of the Society of Hong Kong History, member of the Animal Experimentation Ethics Committee of The Chinese University of Hong Kong, consultant of the Good Home Good Man Association, etc.

Company Secretary

Mr. Lee King On Jeff, aged 42, was appointed by the Board as the Company Secretary on 2 December 2022. The biographical details of Mr. Lee are set out under the section headed “**DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**” in this report.

The primary duties of the Company Secretary include, but are not limited to, the following: (a) to ensure the Board procedures are followed and that the activities of the Board are carried out efficiently and effectively; (b) to assist the chairman to prepare agendas and Board papers for meetings and disseminate such documents to the Directors and Board committees in a timely manner; (c) to timely disseminate announcements and information relating to the Group; and (d) to maintain formal minutes of the Board meetings and other Board committee meetings.

Mr. Lee has confirmed that he had received no less than 15 hours of relevant professional training for the year ended 31 December 2023.

14. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Chan Shiu Man (the chairman of the Audit Committee), Mr. Wan, Aaron Chi Keung and Mr. Chan Luk On. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “**13. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**” in this appendix. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the consolidated financial statements and the interim and annual reports of the Group, reviewing the terms of engagement and scope of audit work of the external auditor, and performing the corporate governance function.

15. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “9. Expert and consent” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong).

17. MISCELLANEOUS

- (i) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits from Hong Kong or repatriation of capital of the Company into Hong Kong.
- (ii) The English text of this prospectus shall prevail over Chinese text in case of any inconsistency

18. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tongdahongtai.com) for 14 days from the date of this Prospectus:

- (a) the Memorandum of Association and the Articles of Association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2020, 2021 and 2022;
- (c) Interim report of the Company for six months ended 30 June 2023;
- (d) the letter issued by the reporting accountants regarding the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (e) the material contracts referred to in the paragraph headed “10. Material contracts” in this appendix;
- (f) the written consent from the Expert referred to in paragraph headed “9. Expert and Consent” of this appendix;
- (g) the Circular; and
- (h) this Prospectus.