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TK Group (Holdings) Limited

東江集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2283)

**VOLUNTARY ANNOUNCEMENT
ACQUISITION OF TARGET COMPANIES IN GERMANY**

On 29 August 2014, the Purchaser entered into the Purchase and Assignment Contract with the Vendor pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell 100% of the company shares in S&B Company for a consideration of EUR50,000 (equivalent to approximately HK\$510,000) and 100% of the limited partnership shares in S&B Partnership for a consideration of EUR200,000 (equivalent to approximately HK\$2,040,000).

None of the applicable percentage ratios in respect of the Acquisition exceeds 5% under Rule 14.07 of the Listing Rules, therefore the Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

The Acquisition is subject to completion. The Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares.

This announcement is made by the Company voluntarily.

PURCHASE AND ASSIGNMENT CONTRACT

The major terms of the Purchase and Assignment Contract are set out as follows:

Date

29 August 2014

Parties

Vendor: Mr. Wolfgang Böttcher, a German citizen, and immediately before Completion, the beneficial owner of 100% of the company shares in S&B Company and 100% of the limited partnership shares in S&B Partnership respectively; and

Purchaser: TK Mold (Hong Kong) Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is a third party independent of and not connected with the Company and its connected persons.

Assets to be acquired

The Purchaser has agreed to acquire and the Vendor has agreed to sell 100% of the company shares in S&B Company and 100% of the limited partnership shares in S&B Partnership, respectively, together with all profit payout rights in respect of the profits which have not yet been distributed and all other ancillary rights.

Consideration for the Acquisition

The S&B Company Consideration for the acquisition of 100% of the company shares in S&B Company is EUR50,000 (equivalent to approximately HK\$510,000) and the S&B Partnership Consideration for the acquisition of 100% of the limited partnership shares in S&B Partnership is EUR200,000 (equivalent to approximately HK\$2,040,000), which were determined after arm's length negotiations between the parties to the Purchase and Assignment Contract. Upon Completion, the Target Companies will become the indirect wholly-owned subsidiaries of the Company.

Pursuant to the Purchase and Assignment Contract, the Consideration is subject to adjustments in relation to certain accounts receivable and accounts payable of S&B Partnership as of 31 August 2014 and the shortfall of equity capital of the Target Companies (if any). To the best of the Directors' knowledge, information and belief and based on the information currently available to the Directors, the Directors estimate that the maximum payment additional to the Consideration after adjustment shall be approximately EUR50,000 (equivalent to approximately HK\$510,000).

The Purchaser shall be entitled to retain EUR20,000 (equivalent to approximately HK\$204,000) from the Consideration as a security for the Vendor to fulfill its guarantees for a period of 12 months from the Completion Date under the Purchase and Assignment Contract.

The Consideration shall be financed by the internal resources of the Purchaser.

Completion

The Acquisition shall become effective on 1 September 2014.

INFORMATION OF THE TARGET COMPANIES

S&B Company

S&B Company is a company incorporated in Braunschweig, Germany with a capital stock of EUR25,564.59 (equivalent to approximately HK\$260,758.82).

S&B Company, which is the general partner of S&B Partnership, does not hold a stake in the share capital and the assets of S&B Partnership and is principally engaged in the implementation (administration) and technical management of S&B Partnership.

S&B Partnership

S&B Partnership is a limited liability partnership incorporated in Braunschweig, Germany.

S&B Partnership is principally engaged in the production and sale/distribution of tools and special machinery and other activities associated with the business. As at 31 December 2013, S&B Partnership's total assets and net assets were approximately EUR417,000 (equivalent to approximately HK\$4,253,400) and EUR51,000 (equivalent to approximately HK\$520,200), respectively. The loss after-tax of S&B Partnership for the year ended 31 December 2013 was EUR47,000 (equivalent to approximately HK\$479,400).

REASONS FOR THE ACQUISITION

The Group is primarily engaged in (i) the design and fabrication of plastic injection molds and (ii) the mechanical design and manufacturing of plastic components employing the plastic injection molds it fabricates.

The Group is committed to expand the global footprint of the Group's business. After considering the various acquisition alternatives, the Group identified the target market in Germany as it is considered to be a European country with the most business potential and the Target Companies are regarded as an acquisition target with strong fit to the existing business of the Group with a strong history in operating distribution of tools and special machines for injection molding as well as mold fabrication. Following Completion, it is expected that the sales and marketing capabilities of the Group in the European region will be substantially enhanced through the sharing of synergies with the Target Companies. The Target Companies will be able to provide local on-the-ground after-sales services to current and potential German and European customers.

In view of the above, the Directors consider that the terms of the Purchase and Assignment Contract are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GENERAL

None of the applicable percentage ratios in respect of the Acquisition exceeds 5% under Rule 14.07 of the Listing Rules, therefore the Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

The Acquisition is subject to completion. The Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the same meanings set out below:

“Acquisition”	the acquisition of 100% of the company shares in S&B Company and 100% of the limited partnership shares in S&B Partnership, respectively, from the Vendor by the Purchaser pursuant to the terms of the Purchase and Assignment Contract
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Business Day”	a day on which banks in Germany are open for normal banking business
“Company”	TK Group (Holdings) Limited, an exempt company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition

“Completion Date”	the date of Completion, i.e. the date on which the Acquisition becomes effective, being 1 September 2014
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the S&B Company Consideration and S&B Partnership Consideration
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	TK Mold (Hong Kong) Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Purchase and Assignment Contract”	the purchase and assignment contract dated 29 August 2014 entered into between the Purchaser and the Vendor in relation to the Acquisition
“S&B Company”	Selig & Böttcher GmbH & Co. KG, a company incorporated in Braunschweig, Germany and is the general partner of S&B Partnership
“S&B Company Consideration”	EUR50,000 (equivalent to approximately HK\$510,000) (subject to adjustment), being the consideration for the acquisition of the 100% of the company shares in S&B Company
“S&B Partnership”	Selig & Böttcher GmbH & Co. KG Formbau und Kunststoffspritzerei, a limited liability partnership incorporated in Braunschweig, Germany. The general partner of S&B Partnership is S&B Company, which does not hold a stake in the share capital and the assets of S&B Partnership
“S&B Partnership Consideration”	EUR200,000 (equivalent to approximately HK\$2,040,000) (subject to adjustment), being the consideration for the acquisition of 100% of the limited partnership shares in S&B Partnership
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Companies”	S&B Company and S&B Partnership
“Vendor”	Mr. Wolfgang Böttcher, a German citizen and the beneficial owner of 100% of the company shares in S&B Company and 100% of the limited partnership shares in S&B Partnership, respectively, immediately before Completion
“%”	per cent.
“EUR”	the euro(s), the lawful currency of the member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By Order of the Board
TK Group (Holdings) Limited
Li Pui Leung
Chairman

Hong Kong, 29 August 2014

As at the date of this announcement, the executive Directors are Mr. Li Pui Leung, Mr. Yung Kin Cheung Michael, Mr. Lee Leung Yiu and Mr. Cheung Fong Wa; and the independent non-executive Directors are Dr. Chung Chi Ping Roy, Mr. Ho Kenneth Kai Chung and Mr. Tsang Wah Kwong.

In this announcement, unless stated otherwise, EUR has been translated into HK\$ at the rate close to the date of this announcement of EU1= HK\$10.2 for reference purpose only and no representation has been made that any amounts in EUR or HK\$ can be or could have been converted at the relevant dates at the above rate or any other rates.