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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
APPROVAL OBTAINED FOR THE PLOT RATIO INCREASE OF
SHENZHEN TANGJIA LAND

This is a voluntary announcement made by TK Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide the shareholders of the Company (the “**Shareholders**”) and potential investors with an update on the business development of the Group.

Reference is made to the Prospectus and the announcement of the Company dated 20 March 2014 in relation to developments as to defects to land title with respect to the Shenzhen Tangjia Plants. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Prospectus.

The Company has received a notice from TK Technology (Shenzhen), the landlord of the Shenzhen Tangjia Plants of the Company, that according to the approval issued by Guangming District Branch under Shenzhen Municipal Bureau of Planning and Natural Resources (深圳市規劃和自然資源局光明管理局) and Shenzhen Guangming District Industrial and Information Bureau (深圳市光明區工業和信息化局) to TK Technology (Shenzhen), TK Technology (Shenzhen) has obtained the permission to increase the existing plot ratio of the land to have more room for the industrial development. The land to be increased in the plot ratio has the same land parcel number with the land disclosed in the property ownership certificate of the Shenzhen Tangjia Plants of the Company. According to the approval, the Company’s internal legal advisers analyse that, in order to promote the intensive and economical use of industrial land at high-tech zones, Guangming District Branch under Shenzhen Municipal Bureau of Planning and Natural Resources is not likely to

impose any penalty for leasing of the Shenzhen Tangjia Land for high-technology project purposes without obtaining prior approval and paying the land premium, such as confiscation of the land or the eviction of the tenant. Given the above, the risks related to Shenzhen Tangjia Plants and the leased properties no longer exist, and the Company will continue its operation in the existing properties. As such, the Company's relevant contingency arrangements, including the pre-lease agreements entered into with the landlord of the backup plants will no longer be required, and the Company has also been expanding the existing capacity. The Company has rented factories with red-type property ownership certificate in Huizhou, Guangdong and Suzhou, Jiangsu so far to avoid the risks of leased properties.

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

Hong Kong, 14 January 2020

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, Miss Christine Wan Chong Leung and Mr. Tsang Wah Kwong.