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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)

SALE OF EXISTING SHARES
BY THE CONTROLLING SHAREHOLDER

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Company was informed by Eastern Mix (the controlling shareholder of the Company), Mr. Li, Mr. Yung and Mr. Lee that the Secondary Block Trade Agreement was entered into on 23 May 2018 (after trading hours) amongst Eastern Mix as seller, Mr. Li, Mr. Yung and Mr. Lee as guarantors and the Manager for the Sale, on a best-effort basis, of up to 40,000,000 Sale Shares held by Eastern Mix to the Purchasers at HK\$5.8 per Sale Shares.

Assuming all of the 40,000,000 Sale Shares are sold to the Purchasers, upon completion of the Sale, the number of Shares held by Eastern Mix will decrease from 371,520,000 Shares to 331,520,000 Shares, representing a decrease of shareholding from approximately 44.59% to approximately 39.79% of the existing issued share capital of the Company.

This announcement is made by TK Group (Holdings) Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

PLACEMENT AGREEMENT

The Company was informed by Eastern Mix Company Limited (“**Eastern Mix**”) (the controlling shareholder of the Company), Mr. Li Pui Leung (“**Mr. Li**”), Mr. Yung Kin Cheung Michael (“**Mr. Yung**”) and Mr. Lee Leung Yiu (“**Mr. Lee**”), that a secondary block trade agreement (the “**Secondary Block Trade Agreement**”) was entered into on 23 May 2018 (after trading hours) amongst Eastern Mix as seller, Mr. Li, Mr. Yung and Mr. Lee as guarantors and DBS Asia Capital Limited (the “**Manager**”) pursuant to which the Manager as agent of Eastern Mix shall procure on a best-effort basis purchasers which are ‘professional investors’ (as defined in the Securities and Futures Ordinance) (the “**Purchasers**”) to purchase up to 40,000,000 shares (the “**Sale Shares**”) in the Company (the “**Sale**”) held by Eastern Mix at HK\$5.8 per Sale Share. The closing of the Sale shall take place on 28 May 2018 or at such other time and/or date as Eastern Mix and the Manager may agree (“**Closing Date**”).

Pursuant to the Secondary Block Trade Agreement in choosing the Purchasers, the Manager undertakes that to the best of its knowledge the Purchasers shall be third parties independent from Eastern Mix and its associates (as defined in the Listing Rules) and the directors, chief executive or substantial shareholders of the Company (as defined in the Listing Rules) or its subsidiaries or any of their respective associates.

Pursuant to the Secondary Block Trade Agreement, each of Mr. Li, Mr. Yung and Mr. Lee covenants with the Manager that each of them shall and shall procure that his nominees, any person controlled by him, any trust associated with him or any person acting on his or their behalf be subject to a lock-up arrangement for a period commencing from the date of the Secondary Block Trade Agreement and ending on the date which is 90 days after the Closing Date.

SHAREHOLDING STRUCTURE AFTER PLACEMENT

The 40,000,000 Sale Shares represent approximately 4.8% of the existing issued share capital of the Company. As at the date of this announcement, Eastern Mix holds 371,520,000 shares in the Company (the “**Shares**”), representing approximately 44.59% of the existing issued share capital of the Company. Assuming all of the 40,000,000 Sale Shares are sold to the Purchasers, upon completion of the Sale, the number of Shares held by Eastern Mix will decrease to 331,520,000 Shares, representing a decrease of shareholding to approximately 39.79% of the existing issued share capital of the Company.

The following is a summary of the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Sale (assuming all of the 40,000,000 Sale Shares are sold to the Purchasers):-

	Approximate shareholding as at the date of this announcement		Approximate shareholding immediately upon completion of the Sale (assuming all of the Sale Share are sold to the Purchasers)	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
Eastern Mix ¹	371,520,000	44.59	331,520,000	39.79
Lead Smart Development Limited ²	89,400,000	10.73	89,400,000	10.73
Cheer Union Development Limited ³	55,620,000	6.67	55,620,000	6.67
Normal Times International Limited ⁴	53,640,000	6.44	53,640,000	6.44
Public	263,080,000	31.57	303,080,000	36.37
Total	<u>833,260,000</u>	<u>100.00</u>	<u>833,260,000</u>	<u>100.00</u>

Notes:

1. Eastern Mix is held as to 45%, 28% and 27% by Mr. Li, Mr. Yung and Mr. Lee, all being executive Directors, respectively.
2. Lead Smart Development Limited is held as to 100% by Mr. Li.
3. Cheer Union Development Limited is held as to 100% by Mr. Yung.
4. Normal Times International Limited is held as to 100% by Mr. Lee.

The Company does not expect that the sale of existing shares by the controlling shareholder will have any adverse effect on the operations of the Company and its subsidiaries.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 23 May 2018

As at the date of this announcement, the executive directors of the Company 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 of the Company are Dr. Chung Chi Ping Roy, Mr. Ho Kenneth Kai Chung and Mr. Tsang Wah Kwong.