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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)

PROFIT WARNING

This announcement is made by TK Group (Holdings) Limited (the “**Company**”), together with its subsidiaries (collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a significant decrease in its consolidated profit attributable to owners of the Company for the six months ending 30 June 2020 as compared to that for the six months ended 30 June 2019 in view of the following:

- (i) The outbreak of the new coronavirus disease 2019 (“**COVID-19**”) has severely affected the production schedules of the Group’s factories in Guangdong and Jiangsu provinces which have had to extend the lunar New Year holiday to 10 February 2020.
- (ii) The epidemic has spread to all countries in the world, the physical stores of many consumer brands in Europe and the United States have been temporarily closed, severely damaging the global retail market and consumer confidence, and many consumer electronics brands have postponed the release of new products and the development of new projects. As an upstream supplier, the Group has been inevitably affected, and the order and sales volume of European and American customers have been negatively affected to some extent.

- (iii) The unaudited consolidated profit attributable to the Shareholders for the three months ended 31 March 2020 is expected to decline significantly as compared with that for the corresponding period in 2019.

The Board of Directors has decided to temporarily put the plan to build overseas factories on hold and remained more prudent about all capital expenditures, in order to retain capital strength and maintain financial stability. The Group has been closely monitoring the market conditions, and will adjust its strategies in a timely manner. The Group have implemented a 20% reduction in the remuneration of all executive directors and senior management with effect from 1 April 2020 as the first step of cost regulation measures. If the epidemic and the economic environment further deteriorate, the remuneration of all executive directors of and senior management of the Board will be subjected to further adjustment.

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the expected operating result for the first quarter of 2020 of the Group. Therefore, the actual results of the Group for the Relevant Period may differ from the information contained in this announcement. The interim results announcement of the Company for the six months ending 30 June 2020, is expected to be published by the end of August 2020.

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

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

Hong Kong, 21 April 2020

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