

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



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)

REVISION OF THE EXISTING ANNUAL CAP OF CONTINUING CONNECTED TRANSACTIONS

REVISION OF THE EXISTING ANNUAL CAP OF THE CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 22 December 2023 in relation to the Leasing Framework Agreement entered into between the Company, TK Technology (Shenzhen) and TK Technology Holdings.

Pursuant to the Leasing Framework Agreement, the Company, TK Technology (Shenzhen) and TK Technology Holdings may maintain current leasing/tenancy agreements and from time to time enter into new leasing/tenancy agreements for the leasing of properties by the Group from TK Technology (Shenzhen) and TK Technology Holdings. The continuing connected transactions contemplated under the Leasing Framework Agreement will expire on 31 December 2024. Given that the Board expects the continuing connected transactions under the Leasing Framework Agreement may exceed the Existing Annual Cap, the Board proposes to increase the Existing Annual Cap for the year ending 31 December 2024.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as each of TK Technology (Shenzhen) and TK Technology Holdings is indirectly held as to 45.0% by Mr. Li and his spouse, 28.0% by Mr. Yung and 27.0% by Mr. Lee, TK Technology (Shenzhen) and TK Technology Holdings are connected persons of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise the annual caps of continuing connected transactions, the Company shall re-comply with the relevant requirements under Chapter 14A of the Listing Rules for the relevant continuing connected transactions.

Pursuant to Rules 14A.81, 14A.82 and 14A.83 of the Listing Rules, the Transactions under the Leasing Framework Agreement have been aggregated for the purposes of determining the category of connected transaction that such agreements should fall into under the Listing Rules. As all applicable percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules in respect of the Revised Annual Cap is expected to be less than 5%, the Transactions are subject to the reporting and disclosure requirements and exempt from shareholders' approval under Rule 14A.76(2) of the Listing Rules.

LEASING FRAMEWORK AGREEMENT

Members of the Group as lessee and TK Technology (Shenzhen) and TK Technology Holdings as lessors had, in the past, entered into certain leasing/tenancy agreements for the leasing of premises in accordance with the Former Leasing Framework Agreement. The Company, TK Technology (Shenzhen) and TK Technology Holdings may maintain current leasing/tenancy agreements and may from time to time enter into new leasing/tenancy agreements for the leasing of properties by the Group from TK Technology (Shenzhen) and TK Technology Holdings pursuant to the Leasing Framework Agreement. The Leasing Framework Agreement was entered into by the Company, TK Technology (Shenzhen) and TK Technology Holdings on 22 December 2023 and shall be valid for the period from 1 January 2024 to 31 December 2024.

REVISION OF THE EXISTING ANNUAL CAP OF THE CONTINUING CONNECTED TRANSACTIONS UNDER THE LEASING FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 22 December 2023 in relation to the Leasing Framework Agreement entered into among the Company, TK Technology (Shenzhen) and TK Technology Holdings. The continuing connected transactions contemplated under the Leasing Framework Agreement will expire on 31 December 2024. As the tenancy agreements were entered into pursuant to the Leasing Framework Agreement with rental area in excess of expectations as a result of the expansion of the Group's operations in 2024, the Board of the Company expects the transaction amounts of the continuing connected transactions for the year ending 31 December 2024 under the Leasing Framework Agreement may exceed the Existing Annual Cap as set out in the announcement of the Company dated 22 December 2023. On 5 December 2024, the Board of the Company resolved to increase the Existing Annual Cap for the year ending 31 December 2024. Save for the revision of the Existing Annual Cap, all other terms and conditions under the Leasing Framework Agreement remain unchanged.

The major terms of the Leasing Framework Agreement are set out in the section headed "LEASING FRAMEWORK AGREEMENT" in the announcement of the Company dated 22 December 2023.

Revised Annual Cap

The aggregate transaction amounts under the tenancy agreements entered into pursuant to the Former Leasing Framework Agreement and the Leasing Framework Agreement for the financial year ended 31 December 2023 and for the 11 months ended 30 November 2024 were approximately HK\$64,884,627 and HK\$56,749,688 respectively. The existing aggregate annual cap in respect of the Transactions under the Leasing Framework Agreement for the year ending 31 December 2024 is HK\$61,610,000. The Board anticipates that the Existing Annual Cap may not be sufficient to meet the business needs. Pursuant to Rule 14A.54(2) of the Listing Rules, the Company has set a Revised Annual Cap of approximately HK\$62,050,000 in respect of the Transactions under the Leasing Framework Agreement for the year ending 31 December 2024.

	For the year ending 31 December 2023 (per month)	For the year ending 31 December 2024 (per month) <i>the existing aggregate annual cap</i>	For the year ending 31 December 2024 (per month) <i>the revised aggregate annual cap</i>
Areas of leased premises under the Leasing Framework Agreement	116,066 sq.m.	109,457 sq.m.	113,448 sq.m.
Monthly rental of leased premises under the Leasing Framework Agreement	HK\$46.59/sq.m.	HK\$46.91/sq.m.	HK\$45.58/sq.m.

The Revised Annual Cap is determined with reference to projections of the Company and is further arrived at by the Company mainly with reference to the following major factors:

- (i) the aggregate transaction amounts under the tenancy agreements entered into pursuant to the Leasing Framework Agreement for 11 months ended 30 November 2024 were approximately HK\$56,750,000 and that for December 2024 is expected to be approximately HK\$5,300,000; and
- (ii) a buffer for the cap is included upon consideration of the exchange rate fluctuations for this year.

REASONS FOR AND BENEFITS OF THE REVISION OF ANNUAL CAP FOR THE LEASING FRAMEWORK AGREEMENT

The revision of the Existing Annual Cap under the Leasing Framework Agreement is due to the expansion of the Group's business operations, which have resulted in a corresponding increase in rental area pursuant to the tenancy agreements under the Leasing Framework Agreement. Therefore, the Board anticipated that the Existing Annual Cap under the Leasing Framework Agreement for the year ending 31 December 2024 may be exceeded. As such, the Board resolves to revise the Existing Annual Cap under the Leasing Framework Agreement for the year ending 31 December 2024. The Board considers that Revised Annual Cap will facilitate the Group to satisfy the needs of business expansion. The Company will continue to carry out adequate supervision over the transaction amounts in respect of the relevant annual caps going forward with a view to ensuring that necessary measures and appropriate actions will be promptly taken in order to comply with the applicable requirements under the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as each of TK Technology (Shenzhen) and TK Technology Holdings is indirectly held as to 45.0% by Mr. Li and his spouse, 28.0% by Mr. Yung and 27.0% by Mr. Lee, TK Technology (Shenzhen) and TK Technology Holdings are connected persons of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company intends to revise the annual caps of continuing connected transactions, the Company shall re-comply with the relevant requirements under Chapter 14A of the Listing Rules for the relevant continuing connected transactions.

Pursuant to Rules 14A.81, 14A.82 and 14A.83 of the Listing Rules, the Transactions under the Leasing Framework Agreement have been aggregated for the purposes of determining the category of connected transaction that such agreements should fall into under the Listing Rules. As all applicable percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules in respect of the Revised Annual Cap is expected to be less than 5%, the Transactions are subject to the reporting and disclosure requirements and exempt from shareholders' approval under Rule 14A.76(2) of the Listing Rules.

The Directors (including the independent non-executive Directors, except Mr. Li, Mr. Yung and Mr. Lee who, being shareholders and directors of each of TK Technology (Shenzhen) and TK Technology Holdings, have abstained from voting on the relevant resolutions in the Board meeting approving the Revised Annual Cap) confirm that it is in the interests of the Company to proceed with the Transactions under Leasing Framework Agreement and that the Transactions are conducted on normal commercial terms or terms that are not less favorable to the Company than those available from the Independent Third Parties in the ordinary and usual course of business of the Company and are fair and reasonable and in the interest of the Shareholders as a whole.

INFORMATION OF THE GROUP, TK TECHNOLOGY (SHENZHEN) AND TK TECHNOLOGY HOLDINGS

The Company is an investment holding company and the Group is principally engaged in the designing and manufacturing of plastic components, including plastic components mechanical design, mold design, mold fabrication, plastic components manufacturing and secondary processing services.

Each of TK Technology (Shenzhen) and TK Technology Holdings is held as to 45.0% by Mr. Li and Mrs. Li Zhi Ying, Mr. Li's spouse, 28.0% by Mr. Yung and 27.0% by Mr. Lee. TK Technology (Shenzhen) and TK Technology Holdings are mainly engaged in property investment.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	TK Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Annual Cap”	the existing annual maximum rental amount payable by the Group to TK Technology (Shenzhen) and TK Technology Holdings in respect of the Transactions for the financial year ending 31 December 2024 under the Leasing Framework Agreement as set out in the announcement of the Company dated 22 December 2023
“Former Leasing Framework Agreement”	the leasing framework agreement dated 30 December 2022 entered into between the Company, TK Technology (Shenzhen) and TK Technology Holdings, details of which were disclosed in the announcement of the Company dated 30 December 2022
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of and not connected with any of the Directors, chief executive, substantial Shareholders or any of its subsidiaries and their respective associates
“Leasing Framework Agreement”	the leasing framework agreement dated 22 December 2023 entered into between the Company, TK Technology (Shenzhen) and TK Technology Holdings, details of which were disclosed in the announcement of the Company dated 22 December 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lee”	Mr. Lee Leung Yiu, an executive Director
“Mr. Li”	Mr. Li Pui Leung, an executive Director, the chairman of the Group and a Controlling Shareholder
“Mr. Yung”	Mr. Yung Kin Cheung, Michael, an executive Director and the chief executive officer of the Company
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Revised Annual Cap”	the revised annual maximum rental amount payable by the Group to TK Technology (Shenzhen) and TK Technology Holdings for the year ending 31 December 2024 in respect of the Transactions under the Leasing Framework Agreement as revised by the resolution of the Board as at the date of this announcement
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m”	square metre
“TK Technology (Shenzhen)”	東江科技(深圳)有限公司(TK Technology (Shenzhen) Ltd.*), a company established in the PRC on 28 March 2001, which was indirectly wholly-owned as to 45.0% by Mr. Li and his spouse, 28.0% by Mr. Yung and 27.0% by Mr. Lee as at the date of this announcement, and is a connected person of the Company
“TK Technology Holdings”	TK Technology Holdings Limited (東江科技集團有限公司), a company incorporated in Hong Kong on 2 March 1990, which was ultimately beneficially interested as to 45.0% by Mr. Li and his spouse, 28.0% by Mr. Yung and 27.0% by Mr. Lee as at the date of this announcement, and is a connected person of the Company
“Transactions”	all transactions including future transactions between members of the Group, TK Technology (Shenzhen) and TK Technology Holdings arising from leases or tenancy agreements between members of the Group as lessee and TK Technology (Shenzhen) and TK Technology Holdings as lessors as contemplated under the Leasing Framework Agreement
“%”	per cent.

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

Hong Kong, 5 December 2024

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.

* *For identification purposes only*