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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)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on 25 February 2019, it resolved to adopt the Scheme as means to recognise the contribution by the Group's personnel and to provide them with incentives to retain them for the continual operation and development of the Group. The Shares to be awarded under the Scheme will be purchased by the Trustee from the open market out of cash contributed by the Group or subscribed by the Trustee when allotted and issued by the Company under a General Mandate for the purpose of the Trust and be held on trust for the Eligible Participants (other than Excluded Participants) until such Shares are vested with the relevant Selected Participants in accordance with the provisions of the Scheme.

The Scheme shall be subject to administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

Given that the Scheme does not involve the grant of options over any new Shares of the Company, it does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No Shareholders' approval is required to adopt the Scheme.

ADOPTION OF THE SHARE AWARD SCHEME

The Board is pleased to announce that on 25 February 2019, it resolved to adopt the Scheme, pursuant to which the Shares to be awarded will be purchased by the Trustee from the open market out of cash contributed by the Group or subscribed by the Trustee when allotted and issued by the Company under a General Mandate for the purpose of the Trust and held on trust for the Selected Participants until such Shares are vested with the relevant Selected Participants in accordance with the provisions of the Scheme.

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

SUMMARY OF THE SCHEME RULES

(1) Purpose and Objective

The purposes of the Scheme are to recognize the contribution by the Group's personnel and to provide them with incentives and a sense of belonging to strike for the continual operation and development of the Group and to provide retirement protection of the Group's personnel.

(2) Eligible Participants for the Scheme

Pursuant to the Scheme, the Remuneration Committee may, from time to time, at its absolute discretion, recommend for selection any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant. The Board may approve or disapprove any recommendation made by the Remuneration Committee. The Selected Participants include any full time and part-time employees of the Group (including executive Director) recommended for selection by the Remuneration Committee and approved by the Board pursuant to the Scheme Rules for participation in the Scheme.

(3) Administration

The Scheme shall be subject to administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme shall be final and binding. The Trustee shall hold the Trust Fund in accordance with the Scheme Rules and the terms of the Trust Deed.

(4) Scheme Limit

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding five per cent (5%) of the issued share capital of the Company from time to time.

(5) Operation of the Scheme

The Board may approve or disapprove any recommendation made by the Remuneration Committee from time to time, at its absolute discretion, on the selection of any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant, and grant such number of Awarded Shares to any Selected Participant recommended by the Remuneration Committee at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine. The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Group as directed by the Board which shall constitute part of the Trust Fund, for the purchase or subscription of Shares and other purposes set out in the Scheme Rules and the Trust Deed. The Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange. The Trustee shall keep the Board informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. In the event that the Awarded Shares are to be allotted and issued as new Shares under a General Mandate for the purpose of the Trust, the Board shall cause an amount equal to the subscription price be transferred from the Company's resources as subscription monies for the new Shares and cause to issue and allot such new Shares to the Trustee.

(6) Vesting of Awarded Shares

Subject to the terms and condition of the Scheme and the fulfilment of all vesting conditions on such Selected Participant as specified in the Scheme and the relevant grant notice, the respective Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the vesting schedule as set out in the grant notice, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant on the Vesting Date. The Board may at its absolute discretion, grant additional Shares out of the Trust Fund representing all or part of the income or distributions declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Participant.

(7) Lapse of Award

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant, ceases to be an Eligible Participant for any reason other than severe illness or permanent physical or mental disability or death or retired by agreement with a member of the Group, or is deemed to cease to be an Eligible Participant pursuant to the Scheme Rules (such as criminal conviction and bankruptcy), the unvested Award made to such Selected Participant shall automatically lapse forthwith and the relevant unvested Awarded Shares shall not vest on the relevant Vesting Date but shall remain as part of the Trust Fund.

(8) Restriction

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

(9) Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held by it under the Trust including but not limited to the Awarded Shares.

(10) Duration and Termination

Subject to any early termination as may be determined by the Board pursuant to the Trust Deed, the Scheme shall be valid and effective for an initial period of ten years commencing on the Adoption Date, which is extendable for a period of not more than five years by the Company giving not less than one month's notice in writing to the Trustee prior to the expiry of the ten years initial period.

Upon termination of the Share Award Scheme, no further grant of Awarded Shares may be made under the Scheme and all the Awarded Shares of the Selected Participants granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Award. Upon expiration of the Trust Period, all Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold by the Trustee and all net proceeds of sale and such other funds and properties remaining in the Trust Fund managed by the Trustee (after deducting the relevant expenses) will be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever.

LISTING RULES IMPLICATIONS

Given that the Scheme does not involve the grant of options over any new Shares of the Company, it does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is not required to comply with the rules thereunder. No Shareholders' approval is required to adopt the Scheme.

DEFINITIONS

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

“Adoption Date”	25 February 2019, being the date on which the Board adopted the Scheme Rules for the establishment of the Scheme
“Award(s)”	an award of the Awarded Shares by the Board to a Selected Participant pursuant to the Scheme
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares as awarded by the Board under the Scheme
“Board”	the board of directors of the Company and if the context so permits, it shall include such committee or subcommittee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme
“Company”	TK Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and listed on the Stock Exchange
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any full time or part-time employee of the Group (including any executive Director)

“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where, in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“General Mandate”	the general mandate granted or to be granted by the shareholders of the Company to the Directors at general meetings of the Company from time to time to allot, issue or otherwise deal with Shares in accordance with the Listing Rules
“Group”	the Company and its Subsidiaries from time to time
“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
“Remuneration Committee”	the remuneration committee of the Board from time to time
“Residual Cash”	cash in the Trust Fund (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the purchase and/or subscription of any Shares
“Scheme”	the share award scheme of the Company adopted by the Board on 25 February 2019, as amended from time to time
“Scheme Rules”	the rules relating to the Scheme, as amended from time to time

“Selected Participants”	Eligible Participant(s) recommended for selection by the Remuneration Committee and approved by the Board pursuant to the Scheme Rules for participation in the Scheme
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance) (Chapter 622 of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust deed made and entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
“Trust Fund”	<p>the funds and properties held under the Trust and managed by the Trustee for the benefit of the Eligible Participants (other than the Excluded Participants), including without limitation:</p> <p>(a) all Shares acquired by the Trustee for the purpose of the Trust out of the Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust;</p> <p>(b) any Residual Cash;</p>

- (c) any Awarded Shares or other property to be vested or not vested with the Selected Participant under the terms of the Scheme; and
- (d) all other properties from time to time representing (a), (b) and (c) above

“Trustee”

Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed

“Vesting Date”

the date or dates, as determined from time to time by the Board, on which the Awarded Shares (or part thereof) is to vest with the relevant Selected Participant as set out in the vesting schedule in the grant notice in accordance with the Scheme

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

Hong Kong, 25 February 2019

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