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TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED

致豐工業電子集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1710)

SECOND SUPPLEMENTAL AGREEMENT TO THE MEMORANDUM OF UNDERSTANDING FOR PLANT EXPANSION

Reference is made to the prospectus of Trio Industrial Electronics Group Limited (the “**Company**”) dated 13 November 2017 in relation to the memorandum of understanding (the “**MOU**”) dated 5 December 2016 entered into between Panyu Trio Microtronics Limited (“**Panyu Trio**”, an indirect wholly-owned subsidiary of the Company) and Shiji Cooperative Economic Association of Dongchong Town, Nansha District, Guangzhou City, Guangdong Province (“**Shiji Association**”) and the announcement of the Company dated 20 July 2018 (the “**Announcement**”) in relation to a supplemental agreement to the MOU (“**Supplemental Agreement**”) to amend the terms of the MOU with regards to the leasing of the production plant. Terms defined in the Announcement shall have the same meanings when used herein, unless the context requires otherwise.

On 28 November 2019, Panyu Trio and Shiji Association entered into a second supplemental agreement (“**Second Supplemental Agreement**”) to amend some of the terms regarding the construction timetable and payment schedule of the MOU (as amended and supplemented by the Supplemental Agreement).

The principal amendments effected under the Second Supplemental Agreement are as follows:

1. Shiji Association had obtained all requisite approvals, permits and certificates from the relevant government authorities before the commencement of construction works;
2. Final acceptance and completion of the constructions of No.1 Factory Building and No.2 Factory Building shall be completed within the 10 months from 10 June 2019 to 10 April 2020 and the relevant building ownership certificates shall be obtained within three months from the final acceptance and completion; and
3. Payment schedule remains unchanged except that RMB2.5 million shall be payable upon the completion of floor construction of the first floor (instead of upon commencement of construction as per the MOU (as amended and supplemented by the Supplemental Agreement)) of the No.2 Factory Building in around December 2019.

Save and except disclosed above, all other terms of the MOU (as amended and supplemented by the Supplemental Agreement) remain in full force and effect.

The board of Directors are of the view that the terms of the Second Supplemental Agreement are on normal commercial terms, fair and reasonable, and the entering into of the Second Supplemental Agreement is in the interests of the Company and its Shareholders as a whole.

On behalf of the Board
Trio Industrial Electronics Group Limited
Lai Yiu Wah
Chairman and Executive Director

Hong Kong, 28 November 2019

As at the date of this announcement, the Board comprises Mr. Lai Yiu Wah, Mr. Tai Leung Lam, Mr. Joseph Mac Carthy and Mr. Georges René Gener as executive Directors, Mr. Fung Chun Chung, Mr. Cheung Kin Wing and Mr. Wong Raymond Fook Lam as Independent Non-executive Directors.