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TONG KEE (HOLDING) LIMITED

棠記（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8305)

PROFIT WARNING

This announcement is made by Tong Kee (Holding) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated results of the Group for the period ended 31 March 2020 (the “**Relevant Period**”), it is anticipated that the Group may record a loss not less than HK\$4.0 million for the Relevant Period as compared to the profit of approximately HK\$0.2 million recorded for the period ended 31 March 2019.

Stepping into 2020, the outbreak of the novel coronavirus (COVID-19) and its escalation on a global scale has triggered unprecedented disruptions in business operations and to the economy. While it would be difficult to gauge the longer term impact of such events as the situation is dynamically revolving, the Group has been proactive in closely monitoring the market conditions and taking appropriate measures to respond to the challenges. During the period ended 31 March 2020, the Group has suffered temporary suspension of construction works in February and March 2020 as a result of the COVID-19 epidemic, which has led to delays in schedule of on-going projects of the Group and a decrease in the amount of work recognised during the period ended 31 March 2020.

Despite most of the works of on-going projects of the Group has since resumed, the Group has to incur extra cost in order to catchup the scheduled work. The Group will continue to monitor the development of the COVID-19 epidemic and its impact on the operations and results of the Group, if any.

The expected decrease in profit for the Relevant Period was primarily attributable to (i) significant decline in gross profit comparing with the period ended 31 March 2019 due to increase in cost of sales including but not limited to subcontracting cost, material costs and direct staff costs during the Relevant Period; (ii) increase in depreciation charges due to more fixed assets were acquired during the year ended 31 December 2019; and (iii) the increase in finance cost due to the increase usage of loan settlement for trade payable during the Relevant Period.

As at the date of this announcement, the Group is still in the process of finalizing the consolidated results of the Group for the Relevant Period. The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group made by the Board with reference to the information currently available to the Board and is not based on any figure or information which has been audited or reviewed by the auditors of the Company or reviewed by the audit committee of the Board and may be subject to adjustments where necessary.

Shareholders and potential investors are advised to read carefully the results announcement of the Group for the Year, which is expected to be published by 15 May 2020.

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

By order of the Board
Tong Kee (Holding) Limited
Heung Chung Sum
Chairman

Hong Kong, 8 May 2020

As at the date of this announcement, the executive Directors are Mr. Heung Chung Sum and Mr. Chan Wai Hon Alan; the non-executive Directors are Ms. Heung Joe Yee and Ms. Heung Joe Tung; and the independent non-executive Directors are Dr. Ip Wai Hung, Mr. Ko, Wilson Wai Shun and Mr. Chan Chi Hang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the day of its publication. This announcement, will also be published on the Company’s website at www.tongkee.com.hk.