



TONG KEE (HOLDING) LIMITED

棠記（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8305)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

**CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG
LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Tong Kee (Holding) Limited (the “Company”) 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 (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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 seven days from the date of its publication and the Company’s website at www.tongkee.com.hk.

FIRST QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2020, together with the unaudited comparative figures for the corresponding period in 2019, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS ENDED 31 MARCH 2020

	<i>Notes</i>	Three months ended 31 March	
		2020	2019
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	45,286	43,700
Cost of sales		(42,062)	(37,210)
Gross profit		3,224	6,490
Other income		50	272
Administrative expenses		(6,878)	(6,427)
Gain arising from change in fair value of financial assets at fair value through profit or loss		14	14
Finance costs		(432)	(139)
(Loss)/profit before taxation		(4,022)	210
Income tax expense	4	–	(52)
(Loss)/profit and total comprehensive (loss)/income from the period		(4,022)	158
(Loss)/earnings per share			
— Basic (HK cents)	6	(0.50)	0.02

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)**

FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2020 (audited)	8,000	33,324	1,941	41,041	84,306
Loss and total comprehensive loss for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>(4,022)</u>	<u>(4,022)</u>
At 31 March 2020 (unaudited)	<u>8,000</u>	<u>33,324</u>	<u>1,941</u>	<u>37,019</u>	<u>80,284</u>
At 31 December 2018 (audited)	8,000	33,324	1,941	38,783	82,048
Change in accounting policies	<u>–</u>	<u>–</u>	<u>–</u>	<u>(11)</u>	<u>(11)</u>
At 1 January 2019	<u>8,000</u>	<u>33,324</u>	<u>1,941</u>	<u>38,772</u>	<u>82,037</u>
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>158</u>	<u>158</u>
At 31 March 2019 (unaudited)	<u><u>8,000</u></u>	<u><u>33,324</u></u>	<u><u>1,941</u></u>	<u><u>38,930</u></u>	<u><u>82,195</u></u>

Note: Capital reserve represents the difference between the Company's Share capital and the combined share capital of the subsidiaries of the Company pursuant to a reorganisation for the listing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2020

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 10 April 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The immediate and ultimate holding company is Advanced Pacific Enterprises Limited, a company incorporated in the British Virgin Islands, which is controlled by Mr. Heung Chung Sum (“Controlling Shareholder” or “Mr. Heung”). The address of the registered office and principal place of business of the Company are at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and Nos. 7 & 8, 8/F, Shatin Galleria, 18–24 Shan Mei Street, Fotan, New Territories, Hong Kong, respectively. The Company’s shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 4 July 2018 (the “Listing”).

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are multi-disciplinary contractors which are principally engaged in performing repair, maintenance, alteration and addition (“RMAA”) works, new construction works and cathodic protection works in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollar (“HK\$”) which is the same as the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands (“HK\$’000”), except where otherwise indicated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2020 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the audited annual report of the Group for the year ended 31 December 2019 except for those new and revised HKFRSs and interpretations issued by the HKICPA that are adopted for the first time for the current periods in the financial statements.

In current period, HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the company. There have been no significant changes to the accounting policies applied in these financial statements for the period presented as a result of these developments.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

The preparation of the unaudited condensed consolidated financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise their judgements in the process of applying the Group’s accounting policies.

The unaudited condensed consolidated financial statements have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee.

3. REVENUE

Revenue represents the fair value of amounts received and receivable by the Group in respect of the provision of building renovation and construction services to external customers. The Group's operations are solely derived from the building renovation and construction services in Hong Kong during the period. For the purposes of resources allocation and performance assessment, the chief operating decision maker (the "CODM"), being the executive directors of the Company, reviews the overall results and financial position of the Group as a whole prepared based on the same set of accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

The Group's revenue recognised during the period is as follows:

	Three months ended 31 March	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types service		
RMAA works projects	39,981	36,821
New construction works projects	503	3,478
Cathodic protection works projects	4,802	3,401
	45,286	43,700

4. INCOME TAX EXPENSE

	Three months ended 31 March	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax		
– Current year	–	52

During the period, no provision for Hong Kong Profits Tax has been made for the subsidiaries of the Company established in Hong Kong, as they did not have any assessable profits subject to Hong Kong Profits Tax for the period, Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profit for prior period.

5. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2020.

6. LOSS/EARNINGS PER SHARE

The calculations of basic loss/earnings per share attributable to the owners of the Company for the three months ended 31 March 2020 are based on the followings:

	Three months ended	
	31 March	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/earnings:		
(Loss)/earnings for the purpose of basic earnings per share		
((loss)/profit for the period)	<u>(4,022)</u>	<u>158</u>
	'000	'000
Number of shares:		
Weighted average number of ordinary shares		
for the purpose of basic earnings per share	<u>800,000</u>	<u>800,000</u>

No diluted loss/earnings per share for both periods were presented as there were no dilutive potential ordinary shares outstanding.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Company and its subsidiaries (collectively referred to as the “Group”) is an established multi-disciplinary contractor for the provision of repair and maintenance works, alteration and addition works (“RMAA”), new construction works, and cathodic protection works in Hong Kong. The Group is responsible for the overall management, implementation and supervision of projects. The Group focuses on the management of projects, development of work programmes, procurement of works materials, operation of site works, co-ordination with the customers or their consultants and quality control of the works carried by the employees and the subcontractors.

For RMAA works, the Group provides repair, alteration and addition, maintenance, modification, rehabilitation, steel, civil and demolition works in various venues such as residential building, commercial building, carpark, road, footbridge and theme park in Hong Kong. For new construction works, the Group provides a variety of constructions and related alteration and additions works and facilities such as noise mitigation work, architectural metalwork, bus shelter, dangerous goods store building, innovative and creative structure such as air balloon. For cathodic protection works, the Group provides installation of cathodic protection systems including sacrificial anodes protection and impressed current systems.

For the three months ended 31 March 2020 (“Relevant Period”), there were 89 projects (2019: 61 projects) with revenue contribution undertaken by the Group. Though the revenue of the Group recorded an increase in current period, the demands for the Group’s RMAA and fitting-out works services and new works service is in a decreasing trend. During the three months ended 31 March 2020, the Group was awarded 32 new projects, with total original contract sum of approximately HK\$60.2 million.

Looking forward, the Directors consider that the future opportunities and challenges facing by the Group will continue to be affected by the development of the property market and expansion on the infrastructure in Hong Kong as well as factors affecting the labour costs and material costs. The Directors are of the view that the number of properties to be built and maintained in Hong Kong remains to be the key driver for the growth of the Hong Kong RMAA and new construction works industry.

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 evolving, 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 catch up the delayed schedule. 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 Group will continue to strengthen its cost control and resources management as well as to actively participate in project tenders, in order to maintain its competitiveness in the market.

In addition, a series of precautionary and control measures have been implemented across the region. In order to ensure the health and safety of our employees and to facilitate the prevention and control of the COVID-19 outbreak, the Group has, (i) promptly established a crisis management working team for coordination and arrangement of provision of services in our premises with the aim to maintain normal operation; (ii) provided sufficient protective equipment and masks to our employees; and (iii) ensured that all our employees have strictly implemented the control and prevention measures formulated by the Group, including the strict observance of personal and environmental hygiene and regular body temperature checks for all employees and visitors entering into our premises.

With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors under such future challenges that are commonly faced by all competitors, and the Group will continue to strengthen the market position in the industry and expand the market share by securing more RMAA and cathodic protection works contracts by utilising the net proceeds from the Listing of the Shares on GEM of the Stock Exchange on 4 July 2018 (the "Listing Date").

Financial Review

Revenue

The revenue increased from approximately HK\$43.7 million for the three months ended 31 March 2019 to approximately HK\$45.3 million for the three months ended 31 March 2020, representing an increase of approximately 3.6%. Although the outbreak of the COVID-19 has affected the operation of the Group and lead to the delay of recognition of revenue, since the number of projects on hand is much larger than the three months ended 31 March 2019, the revenue increased accordingly.

Direct Cost

The direct cost increased from approximately HK\$37.2 million for the three months ended 31 March 2019 to approximately HK\$42.0 million for the three months ended 31 March 2020, representing an increase of approximately 12.9%. Such increase was attributable to the additional cost incurred for late charges due to delay of works, as well as increase in the subcontracting charges including but not limited to overtime charges for sub-contractors in order to meet the scheduled due dates.

Gross Profit

Gross profit of the Group decreased by approximately HK\$3.3 million from approximately HK\$6.5 million for the three months ended 31 March 2019 to approximately HK\$3.2 million for the three months ended 31 March 2020. The decrease was mainly driven by the increase in direct cost for the three months ended 31 March 2020 as discussed above. The overall gross profit margin decreased from approximately 14.9% for the three months ended 31 March 2019 to approximately 7.1% for the three months ended 31 March 2020. The decrease in profit margin was principally attributable to the additional sub-contracting charges which is out of the original budgets of our projects for the three months ended 31 March 2020.

Administrative Expenses

Administrative expenses of the Group increased by approximately HK\$451,000 or 7.0% from approximately HK\$6.4 million for the three months ended 31 March 2019 to approximately HK\$6.8 million for the three months ended 31 March 2020.

Administrative expenses primarily consist of staff costs, depreciation, transportation and motor vehicle expense, and other costs incurred for daily operation. The increase was mainly attributable to the increase in depreciation charges as more fixed assets were acquired during the year ended 31 December 2019, therefore more depreciation charges was incurred during the three months ended 31 March 2020.

Finance Costs

Finance costs for the Group increased by approximately HK\$0.3 million or 210.8% from approximately HK\$0.1 million for the three months ended 31 March 2019 to approximately HK\$0.4 million for the three months ended 31 March 2020. It was mainly due to the increase in usage of loan settlement for trade payables during the three months ended 31 March 2020.

Income Tax Expense

Income tax expense for the Group decreased by approximately HK\$52,000 or 100% from approximately HK\$52,000 for the three months ended 31 March 2019 to nil for the three months ended 31 March 2020. The decrease was mainly attributable to the decrease in profit before taxation (excluding change in fair value of financial assets at fair value through profit or loss) from approximately HK\$0.2 million for the three months ended 31 March 2019 to loss before taxation of HK\$4.0 million for the three months ended 31 March 2020.

(Loss)/profit for the Period

As a results of foregoing, the Group recognised a loss of approximately HK\$4.0 million for the three months ended 31 March 2020 as compared with a profit of approximately HK\$0.2 million for the three months ended 31 March 2019. Such decrease was primarily attributable to the net effect of the increase in revenue, decrease in gross profit, and increase in administrative expenses and finance cost, as discussed above.

Liquidity and Financial Resources

The current ratio decreased from approximately 1.7 times as at 31 December 2019 to 1.6 times as at 31 March 2020.

As at 31 March 2020, the Group had total borrowings of approximately HK\$36.2 million (31 December 2019: approximately HK\$32.3 million). The gearing ratio, calculated based on the interest-bearing liabilities divided by total equity at the end of the year/period and multiplied by 100%, increased from approximately 38.3% as at 31 December 2019 to approximately 45.1% as at 31 March 2020. The Group's financial position is sound and strong. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

The Group's borrowings and bank balances are denominated in HK\$ and there was no significant exposure to foreign exchange rate fluctuations during the Relevant Period.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Relevant Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Capital Structure

The shares of the Company were listed on the GEM of the Stock Exchange on 4 July 2018. There has been no change in the capital structure of the Group since then. The share capital of the Company only comprises ordinary shares.

As at the date of this announcement, the Company's issued share capital was HK\$8,000,000 and the number of its issued ordinary shares was 800,000,000 of HK\$0.01 each.

Commitments

The Group's operating lease commitments amounted to approximately HK\$10,000 as at 31 December 2019, there is no such commitments as at 31 March 2020. The operating lease commitments of the Group as at 31 December 2019 were primarily related to the short term leases of its office premise and carpark spaces.

Future Plans for Material Investments and Capital Assets

As at 31 March 2020, the Group did not have other plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the three months ended 31 March 2020, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Contingent Liabilities

The Group did not have any contingent liabilities.

Exposure to Exchange Rate Fluctuation

The Group's revenue generating operations are mainly transacted in HK\$. The Directors consider the impact of foreign exchange exposure to the Group is minimal.

Charge of Group's Assets

As at 31 March 2020, the Group pledged certain amount of land and building and investments in life insurance policies to secure short-term bank borrowings and other general banking facilities granted to the Group.

Employees and Remuneration Policies

As at 31 March 2020, the Group employed a total of 138 employees (31 December 2019: 137 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$11.0 million for the three months ended 31 March 2020 (for the three months ended 31 March 2019: approximately HK\$11 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

Use of Proceeds

The net proceeds from the listing, after deducting listing related expenses, were approximately HK\$25.2 million. An analysis of the utilization of the net proceeds from the Listing Date up to 31 March 2020 is set out below:

	Planned use of net proceeds as stated in the Prospectus <i>HK\$ million</i>	Actual use of net proceeds from Listing Date to 31 March 2020 <i>HK\$ million</i>
Reserved capital to satisfy the Group's potential customers' requirement for surety/performance bond	2.0	0.7
Further Strengthen the Group's manpower	7.4	5.1
Acquisition of additional machinery and equipment	7.5	1.6
Upgrading the Hong Kong office and workshop	5.7	5.7
General working capital	2.6	2.6

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing Prospectus while the proceeds were applied based on the actual development of the Group's business, the actual situation and the industry.

The Directors will constantly evaluate the Group's business objective and will change or modify plans against the changing market condition to ascertain the business growth of the Group.

Disclosure of Interests

A. *Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures*

As at 31 March 2020, the Company was wholly owned by Advanced Pacific Enterprises Limited, of which the ultimate owner is Mr. Heung Chung Sum.

As at the date of this announcement, interests or short positions of the Directors, chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long Position in the Company's Shares

Name of Director	Capacity	Number and class of securities held	Percentage of shareholding
Mr. Heung Chung Sum	Interest in a controlled corporation	600,000,000 ordinary shares	75%

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporations	Capacity	Number and class of securities held	Percentage of shareholding
Mr. Heung Chung Sum	Advanced Pacific Enterprises Limited	Beneficial owner	2 ordinary shares	100%

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the date of this announcement, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number and class of securities held	Long/short position	Percentage of shareholding
Advanced Pacific Enterprises Limited	Beneficial owner	600,000,000 ordinary shares	Long	75%

Save as disclosed above, as at the date of this announcement and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the period ended 31 March 2020.

INTERESTS OF COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Red Sun Capital Limited (“Red Sun”), as at 31 March 2020, save for the compliance adviser agreement dated on 9 November 2017 entered into between the Company and Red Sun, neither Red Sun, its directors, employees and associates had any interests in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the period ended 31 March 2020.

CORPORATE GOVERNANCE CODE

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Heung Chung Sum currently assumes the role of both chairman of the Company and chief executive of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary.

As at 31 March 2020, save as disclosed above, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors throughout the period ended 31 March 2020.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2020.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 4 June 2018 ("the Scheme"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share options has been granted during the Relevant Period and there were no share options outstanding as at 31 March 2020.

AUDIT COMMITTEE

The Company established an audit committee ("Audit Committee") with its written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company's annual report and interim financial reports before submission to the Board. The Audit Committee consists of three members, namely Mr. Chan Chi Hang, Dr. Ip Wai Hung, Mr. Ko, Wilson Wai Shun, all being independent non-executive Directors of the Company. Mr. Chan Chi Hang currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed this announcement and the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2020.

By order of the Board
Tong Kee (Holding) Limited
Heung Chung Sum
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 15 May 2020

As at the date of this announcement, the executive Directors are Mr. Heung Chung Sum and Mr. Chan Wai Hon, Alan, and the non-executive Directors are Ms. Heung Joe Yee, 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.