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YING KEE TEA HOUSE GROUP LIMITED

英記茶莊集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8241)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORTS FOR THE YEAR ENDED 31 MARCH 2020 AND FOR THE YEAR ENDED 31 MARCH 2021

Reference are made to the annual report of Ying Kee Tea House Group Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) dated 19 June 2020 for the year ended 30 March 2020 (the “**2020 Annual Report**”) and the annual report of the Company dated 29 June 2021 for the year ended 31 March 2021 (the “**2021 Annual Report**”, which together with the 2020 Annual Report, the “**Annual Reports**”). Unless the context otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Annual Reports.

In addition to the information provided in the Annual Reports, the Board would like to provide to the shareholders and potential investors of the Company with the following additional information.

USE OF PROCEEDS

As disclosed in the 2021 Annual Report, among the net proceeds (“**Net Proceeds**”) of approximately HK\$25.2 million raised from the listing of the Company’s shares on GEM of the Stock Exchange, for the year up to 31 March 2021 approximately HK\$24.6 million has been utilized and approximately HK\$643,000 remains unutilized (the “**Unutilized Net Proceeds**”).

During the financial year ended 31 March 2021, the Board resolved to change the use of Net Proceeds and allocated additional unutilized Net Proceeds as general working capital to enable the Group to have more flexibility in responding to the uncertainty in the retail market caused by the COVID-19 pandemic. For details of the change in use of proceeds, please refer to the 2021 Annual Report and the announcement of the Company dated 22 July 2020.

In addition to the information disclosed in the section headed “Management Discussion and Analysis” in the 2021 Annual Report, the Board would like to add the following information pursuant to Rules 18.32(8)(b) of the GEM Listing Rules in relation to the expected timeline for the usage of the Unutilized Net Proceeds as follows:

	Planned applications before change of use of Net Proceeds in July 2020 <i>HK\$'000</i>	Planned applications after change of use of Net Proceeds in July 2020 <i>HK\$'000</i>	Actual usage up to 31 March 2021 <i>HK\$'000</i>	Unutilized Net Proceeds as at 31 March 2021 <i>HK\$'000</i>	Expected timeline for full utilization of the Unutilized Net Proceeds <i>(Note)</i>
Use of Net Proceeds					
Opened new retail points in Hong Kong	12,551	6,056	6,056	—	
Enhanced management capability and efficiency through improvement of information system	3,377	3,377	2,734	643	<i>On or before 31 March 2022</i>
Expanded human resources	655	655	655	—	
Repaid bank loan	3,780	3,780	3,780	—	
Renovation of office and Warehouse	2,420	1,371	1,371	—	
General working capital	<u>2,420</u>	<u>9,964</u>	<u>9,964</u>	<u>—</u>	
Total	<u>25,203</u>	<u>25,203</u>	<u>24,560</u>	<u>643</u>	

Note: The expected timeline for utilising the Unutilized Net Proceeds is based on the best estimation of the present and future business market conditions made by the Group, and is subject to change based on the future development of the market conditions.

SHARE OPTION SCHEME

In addition to the information disclosed in the section headed “Director’s Report” in the 2021 Annual Report, the Company would like to add the following information pursuant to Rules 23.09(3) and 23.09(9) of the GEM Listing Rules in relation to the Share Option Scheme:

Total number of shares available for issue under the Share Option Scheme together with the percentage of the shares in issue that it represents as at the date of the annual report

The total number of shares available for issue under the Share Option Scheme was 3,700,000 shares, representing approximately 1.02% of the issued shares of the Company as at the date of the 2021 Annual Report.

Remaining life of the Share Option Scheme

The Share Option Scheme remains in force for a period of 10 years commencing on the date of the adoption of the Share Option Scheme by written resolutions of the Company passed on 14 March 2018. Accordingly, the remaining life of the Share Option Scheme is approximately 7 years.

DEFINED CONTRIBUTION PLAN

The Company would like to add the following information in the Annual Reports in relation to the defined contribution retirement benefit plan of the Company:

The Group operates a defined contribution retirement benefit plan (the “**MPF Scheme**”) for all of its employees in Hong Kong in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). All employees in Hong Kong are required to join the MPF Scheme and the employees and their employer are each required to contribute 5% of their gross earnings with a current ceiling of HK\$1,500 per month to the MPF Scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contribution under the MPF Scheme. The contribution charged to the consolidated statement of profit or loss and other comprehensive income represents the contribution payable to the funds by the Group. The Group does not forfeit any contributions on behalf of its employees who leave the scheme prior to full vesting. Accordingly, there is no forfeited contribution available for the Group to reduce the existing level of contributions.

The above information does not affect any other information contained in the Annual Reports, and save as disclosed above, all other information in the Annual Reports remains unchanged.

By Order of the Board
Ying Kee Tea House Group Limited
Chan Kwong Yuen
Chairman

Hong Kong, 15 July 2021

As at the date of this announcement, the Board comprises Mr. Chan Kwong Yuen, Mr. Chan Kun Yuen and Mr. Chan Shu Yuen as executive Directors; Mr. Wong Chee Chung, Mr. Siu Chi Ming and Mr. Lee Wai Ho as independent non-executive Directors.

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 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 nor 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.yingkeetea.com.