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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)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2023**

The board of directors (the “**Directors**” and the “**Board**”, respectively) of Tong Kee (Holding) Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries for the three months ended 31 March 2023.

This announcement, containing the full text of the 2023 first quarter report of the Company (the “**Quarter Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to the information to accompany the preliminary announcement of quarter results. Printed version of the Quarter Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course in the manner as required by the GEM Listing.

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

Hong Kong, 15 May 2023

*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 Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) 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](http://www.tongkee.com.hk).*

# 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 report, 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 report 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 report misleading.*

*This report will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication and the Company’s website at [www.tongkee.com.hk](http://www.tongkee.com.hk).*



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# 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 2023, together with the unaudited comparative figures for the corresponding period in 2022, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS ENDED 31 March 2023

	Notes	Three months ended 31 March	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	38,265	37,257
Cost of sales		(34,240)	(33,067)
Gross profit		4,025	4,190
Administrative expenses		(5,229)	(7,757)
Gain arising from change in fair value of financial assets at fair value through profit or loss		18	18
Finance costs		(368)	(428)
Loss before income tax		(1,554)	(3,977)
Income tax expense	4	–	–
Loss and total comprehensive expense for the period		(1,554)	(3,977)
Loss per share attributable to equity holders of the Company			
– Basic and diluted (HK cents)	6	(0.15)	(0.38)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTHS ENDED 31 MARCH 2023

	Total equity attributable to equity holders of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Retained profits/ loss (accumulated) HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	10,500	87,874	1,914	(28,523)	71,792
Loss and total comprehensive expense for the period	-	-	-	(1,554)	(1,554)
At 31 March 2023 (unaudited)	10,500	87,874	1,914	(30,077)	73,346
At 31 December 2021 (audited)	10,500	87,874	1,941	(3,886)	96,429
Loss and total comprehensive expense for the period	-	-	-	(3,977)	(3,977)
At 31 March 2022 (unaudited)	10,500	87,874	1,941	(7,863)	92,452

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 2023

## 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 of the Company is at P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman, KY1-1108, Cayman Islands, and the address of its principal place of business is Room 2502, 25/F, 148 Electric Road, North Point, Hong Kong. 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 corrosion 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 2023 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 2022 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2023

## 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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Types of service		
RMAA works projects	32,991	26,240
New construction works projects	4,250	9,725
Corrosion protection works projects	1,024	1,292
	38,265	37,257

## 4. INCOME TAX EXPENSE

	Three months ended 31 March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Hong Kong Profits Tax – Current year	–	–

During both periods, 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 both periods.

## 5. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2023.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2023

## 6. LOSS PER SHARE

The calculations of basic loss per share attributable to equity holders of the Company for the three months ended 31 March 2023 are based on the followings:

	Three months ended 31 March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Loss:</b>		
Loss for the period attributable to equity holders of the Company	(1,554)	(3,977)
	'000	'000
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	1,050,000	1,050,000

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

## 7. CONTINGENT LIABILITIES

During the year ended 31 December 2022, a vendor as a plaintiff filed the lawsuit in the district court in Hong Kong against one of the subsidiary as a defendant to demand immediate repayment of overdue service charge of approximately HK\$1,926,000. During the period ended 31 March 2023, the first hearing was held and both parties are in the status to exchange the legal document and no conclusion was reached.

In the view of the management, the case is at the beginning status and the management believe that they have a strong evidence to against the litigation, accordingly, no provision of the abovesaid amount is made in the consolidated financial statements.

Other than the disclosure of above, no other significant and material financial implication arising from the cases.

# 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, coordination 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 corrosion protection works, the Group provides various corrosion protection solutions including but not limited to installation of cathodic protection systems including sacrificial anodes protection and impressed current systems.

For the three months ended 31 March 2023 (“Relevant Period”), there were 62 projects (2022: 94 projects) with revenue contribution undertaken by the Group. Due to the current market condition, the demands for the Group’s RMAA and fitting-out works services and new works service is in an increasing trend. During the three months ended 31 March 2023, the Group was awarded 34 new projects, with total original contract sum of approximately HK\$32.3 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. Also, the Group is actively seeking opportunities to expand its business outside Hong Kong.



# MANAGEMENT DISCUSSION AND ANALYSIS

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. 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.

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 corrosion protection works contracts, and expanding the customer base and strengthening the scope of services.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The revenue increased mildly from approximately HK\$37.3 million for the three months ended 31 March 2022 to approximately HK\$38.3 million for the three months ended 31 March 2023, representing an increase of approximately 2.7%. Such increase was mainly due to the increase in contract sum of awarded projects undertaken by the Group as a result of the overall development in the construction industry in Hong Kong, the slow recovery economic impact results from COVID-19.

### Direct Cost

The direct cost increased from approximately HK\$33.1 million for the three months ended 31 March 2022 to approximately HK\$34.2 million for the three months ended 31 March 2023, representing an increase of approximately 3.3%. Such increase was attributable to the increase in the subcontracting charges, material costs, and rental of machinery and equipment cost incurred in line with the revenue increase during the period.

### Gross Profit

Gross profit of the Group decreased mildly by approximately HK\$0.2 million from approximately HK\$4.2 million for the three months ended 31 March 2022 to approximately HK\$4.0 million for the three months ended 31 March 2023. The overall gross profit margin slightly decreased from approximately 11.3% for the three months ended 31 March 2022 to approximately 10.5% for the three months ended 31 March 2023 due to the general inflation.

### Administrative Expenses

Administrative expenses of the Group decreased by approximately HK\$2.6 million or 33.3% from approximately HK\$7.8 million for the three months ended 31 March 2022 to approximately HK\$5.2 million for the three months ended 31 March 2023.

Administrative expenses primarily consist of staff costs, depreciation, transportation and motor vehicle expense, and other costs incurred for daily operation. The decrease was mainly attributable to the cost control plan implemented in late of 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Finance Costs

Finance costs for the Group decreased from approximately HK\$428,000 for the three months ended 31 March 2022 to approximately HK\$368,000 for the three months ended 31 March 2023. Since the Group has reduced the size of bank borrowing during the three months ended 31 March 2023 when comparing with prior period, therefore the finance cost decreased mildly.

## Income Tax Expense

Income tax expense for the Group remained nil for both the three months ended 31 March 2022 and the three months ended 31 March 2023, since the Group has recorded loss before income tax for both the period.

## Loss for the Period

As a results of foregoing, the Group recognised a loss of approximately HK\$1.6 million for the three months ended 31 March 2023 which the loss had been decreased by HK\$2.4 million as compared to the three months ended 31 March 2022. Such decrease was primarily attributable to the net effect of the decrease in gross profit, and decrease in administrative expenses, as discussed above.

## LIQUIDITY AND FINANCIAL RESOURCES

The current ratio remained stable as approximately 1.4 times as at 31 December 2022 and as at 31 March 2023.

As at 31 March 2023, the Group had total borrowings of approximately HK\$35.2 million (31 December 2022: approximately HK\$30.1 million). The gearing ratio, calculated based on the total borrowings divided by total equity at the end of the year/period and multiplied by 100%, increased from approximately 42.0% as at 31 December 2022 to approximately 48.9% as at 31 March 2023 since the Company increased the bank borrowing for expansion of business. 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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. The share capital of the Company only comprises ordinary shares.

As at the date of this report, the Company's issued share capital was HK\$10,500,000 and the number of its issued ordinary shares was 1,050,000,000 of HK\$0.01 each.

## COMMITMENTS

The Group's has no operating lease commitments as at 31 December 2022 and 31 March 2023.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2023, the Group did not have other plans for material investments and capital assets.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the three months ended 31 March 2023, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

## CONTINGENT LIABILITIES

As at 31 March 2023, contingent liabilities of the Group is disclosed in the note 7 of the condensed consolidated financial statements.

## 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 2022, 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 2023, the Group employed a total of 98 employees (31 December 2022: 102 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$7.6 million for the three months ended 31 March 2023 (for the three months ended 31 March 2022: approximately HK\$12.7 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## USE OF PROCEEDS

The net proceeds from the listing, after deducting listing related expenses, were approximately HK\$25.2 million. After the listing, these proceeds were used for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus. All of the net proceeds from the listing date fully utilized during the year ended 31 December 2022. An analysis of the utilization of the net proceeds from the Listing Date up to the date of this report is set out below:

	Revised use of net proceeds as disclosed in the announcement dated 15 July 2020 HK\$ million	Actual use of net proceeds from Listing Date to the date of this report HK\$ million	Expected timeline of full utilisation of the balance
Reserved capital to satisfy the Group's potential customers' requirement for surety/performance bond	1.2	1.2	–
Further Strengthen the Group's manpower	9.4	9.4	–
Acquisition of additional machinery and equipment	4.3	4.3	–
Upgrading the Hong Kong office and workshop	7.7	7.7	–
General working capital	2.6	2.6	–

The business objectives, future plans and planned use of proceeds as stated in the Prospectus and the announcement dated 15 July 2020 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.



# MANAGEMENT DISCUSSION AND ANALYSIS

## DISCLOSURE OF INTERESTS

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

As at 31 March 2023, 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 report, 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	535,670,000 ordinary shares	51%

# MANAGEMENT DISCUSSION AND ANALYSIS

(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 report, 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	535,670,000 ordinary shares	Long	51%

Save as disclosed above, as at the date of this report 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2023.

## 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 2023.

## 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 2023, 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 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2023.

## 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 2023.

## 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 report and the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2023.

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

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 15 May 2023

*As at the date of this report, 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.*