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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE TENANCY AGREEMENT

On 23 November 2022, Tong Kee Engineering Limited, an indirectly wholly-owned subsidiary of the Company, as tenant entered into the Tenancy Agreement with Delta Realty Limited as the landlord (an Independent Third Party) for the purpose of the tenancy of the Premises.

GEM LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Company will recognize a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as an acquisition of asset by the Group for the purposes of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the transaction contemplated under the Tenancy Agreement exceeds 5% but less than 25%, such transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

A. INTRODUCTION

On 23 November 2022, Tong Kee Engineering Limited as tenant entered into the Tenancy Agreement with the Landlord (an Independent Third Party) for the purpose of the tenancy of the Premises.

B. KEY TERMS OF THE TENANCY AGREEMENT

Date: 23 November 2022

Parties: (1) Tong Kee Engineering Limited; and (2) the Landlord, a limited liability company whose registered office is in Hong Kong, principally engaged in property investment.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Landlord and its ultimate beneficial owner(s) are Independent Third Parties.

Term: Two years commencing from 1 December 2022 to 30 November 2024 (both days inclusive).

Premises: Unit 1901 - 1905, 19th Floor, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong.

Rent: The rent shall be HK\$91,349.20 per calendar month (exclusive of management fees, government rent and rates).

Under the Tenancy Agreement, the Company shall enjoy a rent free period of 46 days from 1 December 2022 to 15 January 2023 (both days inclusive).

Security deposit: A sum of HK\$352,275.60 in aggregate of three months' monthly rent, management fee, the government rent and rates.

Total aggregate value of consideration payable: A sum of HK\$2,192,380.80 in aggregate for rent payable for the term of two years. The rent payable will be funded by internal resources of the Group.

C. RIGHT-OF-USE ASSET

Pursuant to HKFRS 16, as a result of the entering into of the Tenancy Agreement, the unaudited value of the right-of-use asset to be recognised by the Group under the terms of the Tenancy Agreement amounted to a sum of HK\$2,090,880, which is calculated with reference to the aggregate lease payments and discounted by a discount rate.

D. INFORMATION OF THE GROUP AND THE COMPANY

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on GEM of the Stock Exchange (stock code: 8305). The principal activity of the Company is investment holding. The principal activities of the Group are the provision of repair, maintenance, alternation and additional service, new construction works and corrosion protection works in Hong Kong.

E. REASONS AND BENEFITS FOR THE TENANCY AGREEMENT

In view of the expiration of the tenancy agreements of various offices in Hong Kong, the Group has to enter into the new tenancy agreement to continue the operation and improve the office spacing efficiency.

The terms of the Tenancy Agreement were determined after arm's length negotiations between the parties and with reference to the prevailing market rent of comparable properties in the vicinity of the Premises and the rental payment made by the Group. The Directors consider that the terms of the Tenancy Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

F. IMPLICATIONS UNDER THE GEM LISTING RULES

In accordance with HKFRS 16 "Leases", the Company will recognize a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as an acquisition of asset by the Group for the purposes of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the transaction contemplated under the Tenancy Agreement exceeds 5% but less than 25%, such transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

G. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Company”	Tong Kee (Holding) Limited, an company incorporated with limited liability in the Cayman Islands and, the shares of which are listed on GEM of the Stock Exchange (Stock code: 8305)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Third Party(ies)”	a party independent of and not connected with the Company and its connected persons
“Landlord”	Delta Realty Limited, a company incorporated in Hong Kong with limited liability
“Tenancy Agreement”	the Tenancy Agreement entered into between Tong Kee Engineering Limited and the Landlord on 23 November 2022 in respect of the Premises
“Premises”	Unit 1901 - 1905, 19th Floor, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 23 November 2022

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.