



# 英記茶莊

## YING KEE TEA HOUSE

### 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

# 2020

## FIRST QUARTERLY REPORT



## CHARACTERISTICS OF GEM (“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.

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 Ying Kee Tea House Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.*



## FIRST QUARTERLY RESULTS

The board of Directors of the Company (the “Board”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2019 together with the unaudited comparative figures for the three months ended 30 June 2018 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2019

		Three months ended 30 June	
		2019	2018
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>Revenue</b>	4	<b>8,524</b>	9,085
Cost of sales		<b>(2,078)</b>	(1,907)
<b>Gross profit</b>		<b>6,446</b>	7,178
Other income		<b>98</b>	222
Selling and distribution costs		<b>(357)</b>	(556)
Administrative expenses		<b>(9,216)</b>	(11,084)
Finance costs		<b>(18)</b>	(46)
<b>Loss before income tax</b>	5	<b>(3,047)</b>	(4,286)
Income tax expense	6	<b>-</b>	(8)
<b>Loss for the period and total comprehensive expense for the period</b>		<b>(3,047)</b>	(4,294)
<b>Loss per share for loss attributable to owners of the Company</b>			
Basic and diluted (HK cents)	8	<b>(0.85)</b>	(1.23)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2019

	Share capital HK\$'000	Capital reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total equity HK\$'000
<b>As at 1 April 2019 (audited)</b>	<b>41,879</b>	<b>990</b>	<b>(1,637)</b>	<b>41,232</b>
Loss for the period and total comprehensive expense for the period	-	-	(3,047)	(3,047)
<b>At 30 June 2019 (unaudited)</b>	<b>41,879</b>	<b>990</b>	<b>(4,684)</b>	<b>38,185</b>
As at 1 April 2018 (audited)	10	990	1,115	2,115
Issue of ordinary shares pursuant to the placing, net of expenses	41,869	-	-	41,869
Loss for the period and total comprehensive expense for the period	-	-	(4,294)	(4,294)
<b>At 30 June 2018 (unaudited)</b>	<b>41,879</b>	<b>990</b>	<b>(3,179)</b>	<b>39,690</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 1. GENERAL INFORMATION

Ying Kee Tea House Group Limited (the “**Company**”) was incorporated in Hong Kong with limited liability on 14 September 2017. The address of its registered office is Suites 1106-08, 11th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong and its principal place of business is 8/F., Wah Shing Centre, 5 Fung Yip Street, Siu Sai Wan, Hong Kong.

The Company’s shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 April 2018.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in retail of Chinese tea leaves, tea wares and tea gift sets in Hong Kong; and food and beverage retail in Hong Kong under the name of iTea serving products such as Hong Kong style coffee, fruit and bubble tea made from Chinese tea leaves.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the three months ended 30 June 2019 (“**Relevant Period**”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the accounting principles generally accepted in Hong Kong. The unaudited condensed consolidated financial statements also include the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements of the Group for the Relevant Period are consistent with those used in the audited financial statements of the Group for the year ended 31 March 2019.

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

The preparation of the unaudited condensed consolidated financial statements of the Group for the Relevant Period is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group’s accounting policies.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 3. ADOPTION OF NEW AND AMENDED HKFRSS

HKICPA has issued a number of new and amended HKFRSs that are first effective or available for early adoption for the Relevant Period. Other than the impact of the adoption of HKFRS 16 as noted below, the adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the Relevant Period and prior periods have been prepared and presented. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

### HKFRS 16 “Leases”

HKFRS 16 “Leases” replaces HKAS 17 “Leases” along with three Interpretations (HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”, HK(SIC) Int-15 “Operating Leases-Incentives” and HK(SIC) Int-27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”). HKFRS 16 has been applied using the modified retrospective approach, with the cumulative effect of adopting HKFRS 16 being recognised in equity as an adjustment to the opening balance of retained profits for the Relevant Period. Prior periods have not been restated.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under HKAS 17 immediately before the date of initial application.

## 4. REVENUE

	Three months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales of tea products	8,300	9,085
Catering services	224	–
	<b>8,524</b>	<b>9,085</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	<b>Three months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Auditor's remuneration	100	120
Cost of inventories recognised as an expense	1,764	1,537
Depreciation of property, plant and equipment	194	118
Depreciation of right-of-use assets	350	–
Amortisation of reinstatement cost	141	87
Amortisation of intangible assets	26	–
Operating lease charges in respect of premises:		
– minimum lease payments for land and buildings held under operating leases	–	2,068
– contingent rentals for land and buildings held under operating leases	–	36
– Short term leases and leases with lease term shorter than 12 months as at initial application of HKFRS 16	2,874	–
– Variable lease payments	29	–
Exchange gains, net	(1)	(2)
Listing expenses	–	4,018

Note: The contingent rentals are charged based on pre-determined percentages of realised sales less the minimum lease payments of the respective leases.

## 6. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Group had no assessable profit for the Relevant Period.

For the three months ended 30 June 2018, Hong Kong profits tax was calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying corporation would be taxed at 8.25%, and profits above HK\$2,000,000 would be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime would continue to be taxed at the rate of 16.5%.

	<b>Three months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Current tax</b>		
Hong Kong profits tax		
– Current period	–	8

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 7. DIVIDENDS

The Board has resolved not to declare any interim dividend for the three months ended 30 June 2019 (30 June 2018: nil)

## 8. LOSS PER SHARE

The basic loss per share is calculated based on the followings:

	<b>Three months ended 30 June 2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Loss		
Loss for the period attributable to equity holders of the Company	<b>(3,047)</b>	(4,294)
Number of shares		
Weighted average number of ordinary shares (in thousands)	<b>360,000</b>	348,132

For the three months ended 30 June 2018, the weighted average number of ordinary shares used to calculate the basis loss per share include 90,000,000 new ordinary shares issued pursuant to the placing.

There were no dilutive potential ordinary shares during both periods and therefore, diluted loss per share equals to basic loss per share.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Company is an investment holding company incorporated in Hong Kong. The principal activity of Ying Kee Tea Company Limited (the “**Tea Company**”), a subsidiary of the Company, is the sale of tea leaves, tea wares and tea gift sets through twelve retail shops and concessionary counters; while the principal activity of iTea. Ying Kee Limited (the “**iTea**”), another subsidiary of the Company, is the sale of beverages of Chinese tea, Italian coffee, fruits and other ingredients through one outlet.

## FINANCIAL REVIEW

### Revenue, gross profit and net loss

The consolidated revenue of the Group for the three months ended 30 June 2019 (the “**Reporting Period**”) stood at approximately HK\$8.5 million (2018: approximately HK\$9.1 million), representing a decrease by approximately 6.2%. The gross profit for the Reporting Period amounted to approximately HK\$6.4 million (2018: approximately HK\$7.2 million), decreased by approximately 10.2%. Gross profit margin was approximately 75.6% (2018: approximately 79.0%), representing a drop compared with that of the last corresponding period. Reasons for the decrement in turnover, gross profit and gross profit margin are because of the significant drop of sales of the limited reserved extra old pu-erh tea cakes, which is around HK\$1.6 million, coupled with the increase in cost of sales of overall tea leaves raw materials. Net loss for the Reporting Period was approximately HK\$3.0 million notwithstanding the absence of non-recurring listing expenses of approximately HK\$4.0 million incurred in the last corresponding period (2018: net loss of approximately HK\$4.3 million). The loss for the Reporting Period was mainly due to the abovementioned reasons, the expenses incurred for the new iTea shop and the increase in administrative expenses as mentioned below.

### Administrative expenses

Notwithstanding the absence of non-recurring listing expenses of approximately HK\$4.0 million incurred in the last corresponding period, the following expenses were substantially increased for the three months ended 30 June 2019 relative to those for the three months ended 30 June 2018:

1. Advertising expenses with introduction of new advertising campaign;
2. Listing maintenance cost increased due to engagement of new company secretarial services provider and increment of annual report printing expenses;
3. Rent and rates as a consequence of new inception of leases at Shatin shop and iTea shop; and
4. Repairs and maintenance cost increased due to commencement of maintenance cost of the new ERP and all affiliated cost of the IT system.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK AND PROSPECT

With the United States – China trade tug-of-war dragging on over time, the present economic climate is still bleak for the ongoing period. GDP for the second quarter of 2019 only grew by a mere 0.6% year on year, representing a decrease of 0.3% compared to that of the first quarter of 2019. Consumer Price Index for the month of May 2019 increased by 2.8% over the corresponding month in 2018 while Retail Sales Index decreased by 1.7% year on year, and at a 6.7% decrease for the month of June 2019 over that of June 2018, lessening the desire to consume, especially impulsive buying. The directors of the Tea Company were prudent in opening new shops and concessionary counters with the goal of maximizing the contribution profit for each shop and counter. The first debut of iTea shop commencing business on 16 April 2019 did not achieve the turnover commensurate with the expenses (including upfront operating expenses and depreciation) it incurred during the Reporting Period. The Directors were of the opinion that the introduction of iTea shop would diversify the business of the Company beyond the traditional retail of tea leaves and arouse the interest of the younger generation in a whole new model for Chinese tea consumption. With uncertainty clouding the current economic condition, the Group does not hasten to mushroom the growth of operating outlets in the near future but rather observe prudently the gradual changes in the political and economic environment for the rest of 2019.

### EVENTS AFTER THE REPORTING PERIOD

There were no material events after the Reporting Period that would affect the results of the Group for the three months ended 30 June 2019.

## OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

The Company was committed to maintain a high standard of corporate governance, and to comply to the extent practicable with the Code of Corporate Governance Practices. The Company has applied the code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules. During the three months ended 30 June 2019, the Company has complied with relevant provisions under the CG Code. The Directors are responsible for the leadership and control of, and promoting the success of the Group. This is achieved by the setting up of corporate strategic objectives and policies, and the monitoring and evaluations of operating activities and financial performance of the Group.

### SECURITIES TRANSACTIONS OF DIRECTORS

The Group has adopted a code of conduct regarding securities transactions by Directors (the “**Code of Conduct**”) on terms no less exacting than the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquires of all Directors, all Directors confirmed that they have complied with the Code of Conduct during the three months ended 30 June 2019.

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

During the three months ended 30 June 2019, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

### DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 30 June 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, 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:



## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

#### Long positions in ordinary shares of the Company

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of ordinary shares held/ interested	Percentage of shareholding
Chan Kwong Yuen (Note)	Interested in a controlled corporation	270,000,000	75%
Chan Kun Yuen (Note)	Interested in a controlled corporation	270,000,000	75%
Chan Shu Yuen (Note)	Interested in a controlled corporation	270,000,000	75%

*Note:*

These 270,000,000 shares are held by Profit Ocean Enterprises Limited (“Profit Ocean”), a company owned by Tri-Luck Investments Limited (“Tri-Luck”), Wealth City Global Limited (“Wealth City”), Sky King Global Limited (“Sky King”) and Coastal Lion Limited (“Coastal Lion”) in equal shares, i.e., 25%. Each of Tri-Luck, Wealth City, Sky King and Coastal Lion is wholly owned by Mr. Chan Tat Yuen, Mr. Chan Kun Yuen, Mr. Chan Shu Yuen and Mr. Chan Kwong Yuen respectively.

Under the acting in concert arrangement between Mr. Chan Tat Yuen, Mr. Chan Kun Yuen, Mr. Chan Shu Yuen and Mr. Chan Kwong Yuen, each of Tri-Luck, Wealth City, Sky King and Coastal Lion, Mr. Chan Tat Yuen, Mr. Chan Kun Yuen, Mr. Chan Shu Yuen and Mr. Chan Kwong Yuen is deemed to be interested in all the shares held by Profit Ocean for purposes of the SFO.

#### Long positions in ordinary shares of associated corporations

Name of Director/Chief Executive	Name of associated corporation	Capacity/nature of interest	Number of ordinary shares held/ interested	Percentage of shareholding
Chan Kwong Yuen	Profit Ocean	Interest in a controlled corporation	250	25%
	Coastal Lion	Interest in a controlled corporation	100	100%
Chan Kun Yuen	Profit Ocean	Interest in a controlled corporation	250	25%
	Wealth City	Interest in a controlled corporation	100	100%
Chan Shu Yuen	Profit Ocean	Interest in a controlled corporation	250	25%
	Sky King	Interest in a controlled corporation	100	100%

Save as disclosed above, none of the Directors and chief executive of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules as at 30 June 2019.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as known to the Directors or chief executive of the Company, as at 30 June 2019, the following persons/entities (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

#### Long positions in ordinary shares of the Company

Name of Shareholder	Nature of interest and capacity	Number of ordinary shares held/interested	Percentage of the total issued shares
Profit Ocean	Beneficial owner	270,000,000	75%
Tri-Luck (Note 1)	Interest in a controlled corporation	270,000,000	75%
Wealth City (Note 1)	Interest in a controlled corporation	270,000,000	75%
Sky King (Note 1)	Interest in a controlled corporation	270,000,000	75%
Coastal Lion (Note 1)	Interest in a controlled corporation	270,000,000	75%
Mr. Chan Tat Yuen (Note 1)	Interest in a controlled corporation	270,000,000	75%
Ms. Chu Min (Note 2)	Interest of spouse	270,000,000	75%
Ms. Chan King Chi (Note 3)	Interest of spouse	270,000,000	75%
Ms. Po Miu Kuen Tammy (Note 4)	Interest of spouse	270,000,000	75%
Ms. Ng Wai Lam Lana Zoe (Note 5)	Interest of spouse	270,000,000	75%

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

(Continued)

#### Long positions in ordinary shares of the Company (Continued)

Notes:

1. The total issued capital of Profit Ocean is owned by Tri-Luck, Wealth City, Sky King and Coastal Lion in equal shares, i.e., 25%, while the total issued share capital of each of Tri-Luck, Wealth City, Sky King and Coastal Lion is wholly owned by Mr. Chan Tat Yuen, Mr. Chan Kun Yuen, Mr. Chan Shu Yuen and Mr. Chan Kwong Yuen, respectively.  
  
Under the acting in concert arrangement between Mr. Chan Tat Yuen, Mr. Chan Kun Yuen, Mr. Chan Shu Yuen and Mr. Chan Kwong Yuen, each of Tri-Luck, Wealth City, Sky King and Coastal Lion, Mr. Chan Tat Yuen, Mr. Chan Kun Yuen, Mr. Chan Shu Yuen and Mr. Chan Kwong Yuen is deemed to be interested in all the shares held by Profit Ocean for purposes of the SFO.
2. Ms. Chu Min is the spouse of Mr. Chan Tat Yuen. For purposes of the SFO, Ms. Chu Min is deemed to be interested in the shares held by Mr. Chan Tat Yuen.
3. Ms. Chan King Chi is the spouse of Mr. Chan Kun Yuen. For purposes of the SFO, Ms. Chan King Chi is deemed to be interested in the shares held by Mr. Chan Kun Yuen.
4. Ms. Po Miu Kuen Tammy is the spouse of Mr. Chan Shu Yuen. For purposes of the SFO, Ms. Po Miu Kuen Tammy is deemed to be interested in the shares held by Mr. Chan Shu Yuen.
5. Ms. Ng Wai Lam Lana Zoe is the spouse of Mr. Chan Kwong Yuen. For purposes of the SFO, Ms. Ng Wai Lam Lana Zoe is deemed to be interested in the shares held by Mr. Chan Kwong Yuen.

Save as disclosed above, as at 30 June 2019, no person, other than the Directors whose interests are set out in the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated corporations” above, had, or was deemed to have an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

As at 30 June 2019, the controlling shareholders did not pledge any of the shares to any party.

### COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company (as defined in the GEM Listing Rules) nor any of their respective close associates 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 three months ended 30 June 2019.



## OTHER INFORMATION

### INTERESTS OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed KGI Capital Asia Limited (the “**Compliance Adviser**”) as its compliance adviser, which provides advices and guidance to the Company in respect of compliance with the GEM Listing Rules including various requirements relating to the Directors’ duties. Save for the compliance adviser’s agreement entered into between the Company and the Compliance Adviser dated 25 September 2017, the Compliance Adviser and its directors, employees or close associates confirmed they had no interests in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 June 2019 and up to the date of this report.

### DIVIDEND

The Board has resolved not to declare any interim dividend for the three months ended 30 June 2019 (30 June 2018: nil).

### AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) on 14 March 2018 with written terms of reference in compliance with the requirements as set out in Rule 5.28 of the GEM Listing Rules and the CG Code. The Audit Committee currently comprises of all three independent non-executive Directors. The chairman of the Audit Committee is Mr. Siu Chi Ming, and the other members are Mr. Lee Wai Ho and Mr. Wong Chee Chung.

The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting process, risk management and internal control systems, and review of the Group’s financial information.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the three months ended 30 June 2019 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

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

Hong Kong, 12 August 2019

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