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Hang Chi Holdings Limited

恒智控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8405)

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

CHARACTERISTICS OF 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.

*This announcement, for which the directors (the “**Directors**”) of Hang Chi Holdings 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.*

FINANCIAL HIGHLIGHTS

	Three months ended		
	31 March		
	2020	2019	Change %
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	(approximate)
Statement of profit or loss and other comprehensive income			
Revenue	49,492	35,141	40.84%
EBITDA	20,202	10,518	92.07%
Profit for the period	8,258	5,896	40.06%

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 31 March 2020 (the “**Reporting Period**”). The unaudited condensed consolidated financial statements of the Group have been reviewed by the audit committee of the Company.

BUSINESS REVIEW AND OUTLOOK

The Group is an established operator of elderly residential care homes in Hong Kong providing comprehensive residential care home services to the elderly residents including: (i) the provision of accommodation with dietician-managed meal plans, 24-hour nursing and caretaking assistance and professional services such as regular medical consultation, physiotherapy, occupational therapy, psychological and social care services; and (ii) the sale of healthcare and medical consumable products and the provision of customisable add-on healthcare services to the elderly residents. During the Reporting Period, the Group derived its revenue from seven elderly residential care homes across different districts in Hong Kong, including four “Shui On瑞安”, one “Shui Hing瑞興”, one “Shui Jun瑞臻” and one “Guardian Home佳安家” branded elderly residential care homes.

The Directors are of the view that the enormous demand for residential care home services is the key driver for the growth of the elderly residential care home industry in Hong Kong. With the Group’s experienced management team and reputation in the market, the Group will continue to expand its network of elderly residential care homes in strategic locations in Hong Kong to serve more elderly residents.

OPERATING PERFORMANCE

Revenue

The breakdown of revenue by types of services provided by the Group for the Reporting Period and for the three months ended 31 March 2019 are set out as follows:

	Three months ended 31 March			
	2020		2019	
	Revenue	Percentage	Revenue	Percentage
	HK\$'000	of segment	HK\$'000	of segment
		revenue	revenue	revenue
		approximate %	approximate %	approximate %
Rendering of elderly home care services				
– residential care places leased by the Social Welfare Department (the “SWD”) under the Enhanced Bought Place Scheme (the “EBPS”)	9,360	18.91%	7,704	21.92%
– residential care places leased by individual customers	28,168	56.92%	19,354	55.08%
– residential care places leased by non-governmental organisations	242	0.49%	127	0.36%
	<u>37,770</u>	<u>76.32%</u>	<u>27,185</u>	<u>77.36%</u>
Sales of elderly related goods and provision of healthcare services	<u>11,722</u>	<u>23.68%</u>	<u>7,956</u>	<u>22.64%</u>
Total	<u><u>49,492</u></u>	<u><u>100.00%</u></u>	<u><u>35,141</u></u>	<u><u>100.00%</u></u>

During the Reporting Period, the Group’s revenue increased from approximately HK\$35,141,000 for the same period last year to approximately HK\$49,492,000, representing an approximately 40.84% increase.

Rendering of elderly home care services

The revenue from rendering of elderly home care services was derived from the provision of, among others, residence, nursing and caretaking services, health and medical services, rehabilitation services, meal preparation services and social care services in Hong Kong. The revenue increased from approximately HK\$27,185,000 for the same period last year to approximately HK\$37,770,000 for the Reporting Period, representing an approximately 38.94% increase.

- *Residential care places leased by the SWD under the EBPS*

During the Reporting Period, the revenue derived from the SWD, which leased a fixed number of residential care places at the Group's elderly residential care homes under the EBPS, increased from approximately HK\$7,704,000 for the same period last year to approximately HK\$9,360,000, representing an approximately 21.50% increase.

- *Residential care places leased by individual customers*

The revenue derived from rendering of elderly home care services for individual customers, together with the unsubsidised portions paid by individual customers under the EBPS increased from approximately HK\$19,354,000 for the same period last year to approximately HK\$28,168,000 for the Reporting Period, representing an approximately 45.54% increase.

The increment was mainly due to completion of the acquisition of 60% of the issued share capital of Guardian Home Limited on 12 July 2019 which increased the total number of residential care places. After the aforesaid acquisition, the Group owned and operated seven elderly residential care homes with a total of 1,085 residential care places for the Reporting Period; while there were six elderly residential care homes with a total of 816 residential care places for the same period last year. Thus, the revenue amount increased.

- *Residential care places leased by non-governmental organisations*

The revenue derived from the non-governmental organisations which leased residential care places from the Group's elderly residential care homes increased from approximately HK\$127,000 for the same period last year to approximately HK\$242,000 for the Reporting Period, representing an approximately 90.55% increase.

Sales of elderly related goods and provision of healthcare services

The revenue from sales of elderly related goods and provision of healthcare services was derived from the sales of adult nappies, nutritional milk, other medical consumable products, daily supplies and provision of additional healthcare services to the residents. The revenue increased from approximately HK\$7,956,000 for the same period last year to approximately HK\$11,722,000 for the Reporting Period, representing an approximately 47.34% increase.

Average occupancy rate of the elderly residential care homes

The average occupancy rates of the Group's elderly residential care homes for the Reporting Period and the same period last year are set out as follows:

	Three months ended 31 March	
	2020	2019
	<i>approximate %</i>	<i>approximate %</i>
Average occupancy rate		
– elderly residential care homes under the EBPS	93.18%	93.86%
– non-EBPS elderly residential care homes	88.72%	93.47%

Staff costs

Staff costs are the largest component of the operating expenses, which comprised of wages, salaries, bonuses, long service payments, retirement benefit costs and other allowances and benefits payable to employees. Due to the increase in the number of elderly residential care homes operated by the Group which increased the total number of staff, the amount of staff costs increased from approximately HK\$14,428,000 for the same period last year to approximately HK\$18,989,000 for the Reporting Period, representing an approximately 31.61% increase.

Property rental and related expenses

Property rental and related expenses mainly represented by the rental and ancillary office payments under operating leases related to the elderly residential care homes. The amount of property rental and related expenses decreased from approximately HK\$5,515,000 for the same period last year to approximately HK\$4,256,000 for the Reporting Period, representing an approximately 22.83% decrease. With the adoption of IFRS 16 Leases, the rental expenses were re-allocated between Property rental and related expenses, Depreciation and amortisation and Finance costs. The rental and related expenses payments for the elderly residential care homes and office amounted to approximately HK\$12,459,000 in total for the Reporting Period.

Profit for the period

During the Reporting Period, the Group recorded a profit of approximately HK\$8,258,000 and approximately HK\$5,896,000 was noted for the same period last year. Such increase was attributable to the increment in revenue and better cost control policy implemented during the Reporting Period.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 March 2020, the Group had 348 employees (31 March 2019: 261 employees). The Group offered competitive remuneration package, discretionary bonuses and social insurance benefits to its employees. In addition, a share option scheme (the “**Share Option Scheme**”) and a share award scheme (the “**Share Award Scheme**”) have been respectively adopted on 21 June 2017 and 6 November 2019 for, among others, the employees of the Group.

The unaudited financial information for the three months ended 31 March 2020 together with the comparative figures for the corresponding periods in 2019 were as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the three months ended 31 March 2020

	Notes	Three months ended 31 March	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
REVENUE	4	49,492	35,141
Other income	4	2,241	1,382
Staff costs		(18,989)	(14,428)
Property rental and related expenses		(4,256)	(5,515)
Depreciation and amortisation		(9,090)	(3,365)
Food		(1,455)	(1,036)
Medical fees		(2,992)	(1,815)
Professional and legal fees		(135)	(1,211)
Utility expenses		(699)	(642)
Consumables		(426)	(298)
Other operating expenses		(2,579)	(1,060)
Finance costs	5	(1,129)	(130)
PROFIT BEFORE TAX	6	9,983	7,023
Income tax expenses	7	(1,725)	(1,127)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,258	5,896
Attributable to:			
Owners of the parent		7,554	5,507
Non-controlling interests		704	389
		8,258	5,896
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic and diluted (<i>HK cents</i>)	9	1.89	1.38

Details of the dividends during the reporting period are disclosed in note 8 to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Attributable to owners of the parent						Non-controlling interests	Total equity
	Issued capital	Share premium	Merger reserve	Other reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December 2019 and 1 January 2020 (audited)	4,000	109,298	5	(10,840)	60,884	163,347	9,680	173,027
Profit and total comprehensive income for the period	-	-	-	-	7,554	7,554	704	8,258
At 31 March 2020 (unaudited)	<u>4,000</u>	<u>109,298</u>	<u>5</u>	<u>(10,840)</u>	<u>68,438</u>	<u>170,901</u>	<u>10,384</u>	<u>181,285</u>

For the three months ended 31 March 2019

	Attributable to owners of the parent						Non-controlling interests	Total equity
	Issued capital	Share premium	Merger reserve	Other reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December 2018 and 1 January 2019 (audited)	4,000	109,298	5	(1,046)	32,649	144,906	2,084	146,990
Profit and total comprehensive income for the period	-	-	-	-	5,507	5,507	389	5,896
At 31 March 2019 (unaudited)	<u>4,000</u>	<u>109,298</u>	<u>5</u>	<u>(1,046)</u>	<u>38,156</u>	<u>150,413</u>	<u>2,473</u>	<u>152,886</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Hang Chi Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at the office of Conyers Trust Company (Cayman) Limited, with the registered address of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. In the opinion of the directors, the holding company of the Company is Shui Wah Limited (“**Shui Wah**”), which was incorporated in the British Virgin Islands (“**BVI**”). The Company’s ultimate holding company is Multifield Investment Development Limited, a company incorporated in BVI with limited liability on 8 January 2010, which is wholly owned by Mr. Yik Tak Chi.

During the period, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the operation of elderly residential care homes in Hong Kong.

2.1 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the three months ended 31 March 2020 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting*.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2019.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issue but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the unaudited condensed consolidated financial statements of the Group.

The Group has adopted the following revised IFRSs for the first time for the current period’s unaudited condensed consolidated financial statements:

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

The directors of the Company considered that the application of the revised IFRSs and IASs do not have material impact on the Group’s unaudited consolidated financial results.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the operation of residential care homes. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

Geographical information is not presented since all of the Group's revenue from external customers is generated in Hong Kong and all of the non-current assets of the Group are located in Hong Kong. The non-current asset information is based on the locations of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue of approximately HK\$9,360,000 for the three months ended 31 March 2020 (3 months ended 31 March 2019: HK\$7,704,000), which amounted to more than 10% of the Group's revenue, was derived from the Hong Kong Government under the Enhanced Bought Place Scheme ("EBPS").

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	For the three months ended 31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers		
Rendering of elderly home care services	37,770	27,185
Sales of elderly related goods and provision of healthcare services	11,722	7,956
	<u>49,492</u>	<u>35,141</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the three months ended 31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Timing of revenue recognition		
Services transferred over time	42,476	30,460
Goods transferred at a point in time	7,016	4,681
	<u>49,492</u>	<u>35,141</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	For the three months ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Rendering of elderly home care services	190	125
Sale of elderly related goods and provision of healthcare services	63	37
	<u>253</u>	<u>162</u>

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Rendering of services

The performance obligation is satisfied over time as services are rendered and advance payments are normally required for home care services and certain healthcare services. For other healthcare services, payment is generally due within 30 days.

Sale of goods

The performance obligation is satisfied upon delivery of the goods and advance payments are generally required. For other goods where advance payment is not required, payment is generally due within 30 days from delivery.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2020 and 2019 are as follows:

	As at 31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Within one year	<u>274</u>	<u>69</u>

An analysis of other income is as follows:

	For the three months ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Other income		
Government grants	1,207	815
Sundry income	304	241
Rental income	618	215
Bank interest income	48	–
Others	64	111
	<u>2,241</u>	<u>1,382</u>

5. FINANCE COST

An analysis of finance costs is as follows:

	For the three months ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Interest on lease liabilities	<u>1,129</u>	<u>130</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the three months ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Cost of inventories sold	2,996	1,998
Depreciation of property, plant and equipment	841	2,519
Depreciation of right-of-use assets	6,599	–
Amortisation of intangible assets	1,650	846
Employee benefit expense including Directors' and chief executive's remuneration:		
– Wages and salaries	18,322	13,504
– Pension scheme contributions	532	451
	<u>18,854</u>	<u>13,955</u>
Bank interest income*	(48)	–
Government grants*	<u>(1,207)</u>	<u>(815)</u>

* Included in "Other income" in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX EXPENSES

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the reporting period (three months ended 31 March 2019: 16.5%).

	For the three months ended	
	31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current – Hong Kong		
Charge for the period	1,998	1,307
Deferred tax	(273)	(180)
	<hr/>	<hr/>
Total tax charge for the period	<u>1,725</u>	<u>1,127</u>

8. DIVIDENDS

The Board does not recommend the payment of a dividend for the three months ended 31 March 2020 (three months ended 31 March 2019: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the three months ended 31 March 2020 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 400,000,000 (three months ended 31 March 2019: 400,000,000) in issue during the period, as adjusted to reflect the rights issue during the period.

The calculation of basic earnings per share is based on:

	Three months ended 31 March	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	<u>7,554</u>	<u>5,507</u>
	<u>Three months ended 31 March</u>	<u>Three months ended 31 March</u>
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>400,000,000</u>	<u>400,000,000</u>

No adjustment has been made to the basic earnings per share amounts presented for the three months ended 31 March 2020 and 2019 as the Group had no potentially dilutive ordinary shares in issue during these periods.

CORPORATE GOVERNANCE PRACTICES

The Company places high value on the corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of the shareholders of the Company.

During the Reporting Period, the Company has adopted and complied with, where applicable, the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules.

CODE OF CONDUCT OF DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (the “**Required Standard of Dealings**”) as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. In response to the specific enquiry made by the Company, all Directors confirmed that they fully complied with the Required Standard of Dealings throughout the Reporting Period.

COMPETING BUSINESS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

For the Reporting Period, none of the Directors, controlling shareholders or substantial shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) are engaged in any business that competes or may complete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such persons has or may have with the Group.

DIVIDEND

The Directors do not recommend the payment of dividend for the Reporting Period.

SHARE OPTION SCHEME

Pursuant to the resolution passed by the shareholders of the Company on 21 June 2017, the Company has adopted the Share Option Scheme which is valid and effective for a period of 10 years from 21 June 2017. The purpose of the Share Option Scheme is provide incentives or rewards to the eligible persons for their contributions of to the Group. Eligible person under the Share Option Scheme means any full-time or part-time employee of the Company or any member of the Group, including any executive Directors, non-executive Directors and independent non-executive Directors, suppliers, customers, agents, advisors and consultants of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Group. The Board may, at its discretion, invite any of the aforesaid eligible persons to take up the options. There is no change to the terms of the Share Option Scheme since adoption.

No share option had been granted, exercised or cancelled by the Company under the Share Option Scheme since adoption and during the Reporting Period and there is no outstanding share option as at the date of this announcement.

SHARE AWARD SCHEME

On 6 November 2019, the Board resolved to adopt the Share Award Scheme, pursuant to which ordinary shares of the Company (the “**Shares**”) were awarded to the selected participants in accordance with the rules of the Share Award Scheme. Each selected participant shall be a full-time employee of the Group who is not a Director or connected person of the Company. The maximum number of awarded shares which may be awarded under the Share Award Scheme shall be 1,360,000 Shares, representing approximately 0.34% of the total number of issued Shares.

On 22 January 2020, 1,336,000 Shares, representing approximately 0.33% of the total number of issued Shares, were awarded to the selected participants, all of whom are independent third parties and full-time employees of the Group, pursuant to the rules of the Share Award Scheme. The Share Award Scheme lapsed after completion of the transfer of the awarded shares on the same date.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

CHANGES IN INFORMATION OF DIRECTOR

Mr. Kwok Chi Shing, an independent non-executive Director, has been appointed as an independent non-executive director of DTXS Silk Road Investment Holdings Company Limited (大唐西市絲路投資控股有限公司) whose shares are listed on the Stock Exchange (stock code: 620), with effect immediately after the forthcoming annual general meeting of the aforesaid company to be held on 29 May 2020.

AUDIT COMMITTEE AND REVIEW OF THE THIRD QUARTERLY RESULTS

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company has established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Kwok Chi Shing, Mr. Lau Tai Chim and Mr. Wong Wai Ho. The main role and functions of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company’s financial reporting, risk management and internal control systems.

The Audit Committee has discussed with the management and the independent auditor of the Company and reviewed the unaudited results for the Reporting Period and the unaudited condensed consolidated financial statements of the Group for the Reporting Period, which is of the opinion that such statements have complied with the applicable accounting standards and that adequate disclosure has been made in respect thereof.

By order of the Board
Hang Chi Holdings Limited
恒智控股有限公司
Yik Tak Chi
Chairman and Executive Director

Hong Kong, 7 May 2020

As at the date of this announcement, the executive Directors are Mr. YIK Tak Chi, Mr. LUI Chi Tat, Mr. CHUNG Kin Man and Ms. CHUNG Wai Man, the non-executive Director is Mr. LAU Joseph Wan Pui and the independent non-executive Directors are Mr. WONG Wai Ho, Mr. LAU Tai Chim and Mr. KWOK Chi Shing.

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 will also be published on the Company’s website at www.shuionnc.com.