TSUN YIP HOLDINGS LIMITED
進業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8356)

PROFIT WARNING

The announcement is made by Tsun Yip Holdings Limited (the "**Company**"), together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Director(s)**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2025 (the "**2025 Annual Results**") and assessment of the latest information currently available to the Board, the Group is expected to record a loss attributable to the owners of the Company of approximately HK$11.3 million for the year ended 31 March 2025 as compared to a loss attributable to the owners of the Company of approximately HK$9.3 million recorded for the year ended 31 March 2024 (the "**2024 Annual Results**").

For the year ended 31 March 2025, the Group recorded a gain from fair value change of approximately HK$17.3 million on modification of certain terms and conditions of the promissory note with principal amount of approximately HK$45.0 million issued by the Group in 2011. The terms of the promissory note have been amended in favour of the Company in June 2024 and its maturity date has been extended to 30 June 2027. The above-said gain from fair value change is non-recurring and non-cash item.

It should be noted that, after excluding the above-said non-recurring fair value gain, the Group is expected to record an unaudited loss attributable to the owners of the Company of approximately HK$28.6 million for the 2025 Annual Results as compared to an audited loss attributable to the owners of the Company of approximately HK$9.3 million for the 2024 Annual Results. The Group expects a decrease of revenue and gross profit from approximately HK$469.0 million and approximately HK$18.1 million for the 2024 Annual Results to approximately HK$366.1 million and approximately HK$9.9 million respectively for the 2025 Annual Results. The Board considers that the increase in an unaudited loss attributable to the owners of the Company is mainly attributable to the following reasons:

(i) During the year ended 31 March 2025, provisional liquidators were appointed for one of the customers of the Group, Paul Y. Engineering Group Limited and its subsidiaries, by the High Court of Hong Kong, resulting in a significant increase in its credit risk. Therefore, an additional provision of expected credit loss of approximately HK$14.6 million was recognised in respect of the said customer for the 2025 Annual Results. The Group is in the course of seeking legal advice on such matter and would take appropriate actions for recovery of the outstanding contract sums.

(ii) Decrease in revenue is mainly due to substantial completion of certain projects on hand during the year ended 31 March 2025, with one new contract, which is still in the preliminary stage, awarded to the Group.

(iii) Decrease in gross profit is mainly due to the extra construction costs employed for certain projects reaching maintenance period or nearly completion stage and increase in costs associated with variation works.

(iv) Increase in administrative expenses is mainly due to the additional provision of long service payment arising from abolition of the Mandatory Provident Fund - Long Service Payment offsetting mechanism and legal and professional fees paid during the year ended 31 March 2025.

The Company is still in the process of finalising the 2025 Annual Results. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2025 which have not been audited by the auditor of the Company nor reviewed by the audit committee of the Company and may be subject to adjustment. The actual results of the Group for the 2025 Annual Results may differ from the information contained in this announcement. Details of the Group's audited financial information and performance will be disclosed in the Group's annual result announcement, which is expected to be released on 30 June 2025.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Tsun Yip Holdings Limited
Kan Kwok Cheung
Chairman and Executive Director

Hong Kong, 24 June 2025

As at the date of this announcement, the Directors are Mr. Kan Kwok Cheung[1] (Chairman), Mr. Hui Ka Tsun[1], Mr. Kan Chun Ting Max[1], Ms. Lam Shun Kiu Rosita[2], Mr. Chin Chi Ho Stanley[3], Mr. Wong Chung Yip Kenneth[3] and Mr. Lai Ah Ming Leon[3].

[1] *Executive Director*
[2] *Non-executive Director*

[3] *Independent non-executive Director*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its posting and the Company's website at http://www.tsunyip.hk.