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HANG YICK HOLDINGS COMPANY LIMITED

恒益控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1894)

(1) QUARTERLY UPDATE; AND (2) CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

This announcement is made by Hang Yick Holdings Company Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 21 July 2021, 21 October 2021 and 21 January 2022 (the “**Announcements**”) in relation to, among other matters, the Resumption Guidance. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

QUARTERLY UPDATE

On 19 July 2021, the Company has been notified by the Stock Exchange of the following guidance for resumption of trading in the shares of the Company:

- (a) conduct an appropriate independent investigation into the underlying incidents of the First Investigation and the Second Investigation, assess the impact on the Company’s business operation and financial position, announce the findings of the above investigations (including the Forensic Review) and take appropriate remedial actions;
- (b) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules;
- (c) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (d) demonstrate compliance with Rule 13.24;

- (e) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (f) demonstrate that the directors of the Company meet a standard of competence commensurate with their position as directors of a listed issuer and fulfill duties of skill, care and diligence as required under Rules 3.08 ad 3.09 of the Listing Rules; and
- (g) announce all material information for the Company's shareholders and other investors to appraise the Company's position.

Independent Investigation

As announced in the announcement of the Company dated 7 June 2021 the SIC has engaged RSM as independent forensic accountant to conduct the Forensic Accounting Review in respect of the suspected and/or alleged misconduct of the Involved Directors.

Due to the outbreak of the Omicron variant of COVID-19 in Hong Kong since the beginning of 2022, the Forensic Accounting Review by RSM has encountered various delays and RSM anticipates that the draft report would be available for the Company's review in late May or early June 2022.

Internal Control Review

As part of the Resumption Guidance, the Stock Exchange has requested the Company to engage an independent internal control consultant to review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules. On 7 October 2021, the Company has engaged Crowe to assist the Group in carrying out the Internal Control Review. As at the date of this announcement, Crowe is in the progress of carrying out the Internal Control Review, in particular pending the draft report on the Forensic Accounting Review from RSM with a view to providing additional internal control procedures which are appropriate for the remediation of internal control weaknesses to be identified during the Forensic Accounting Review. The Company will continue to provide all necessary assistance to the Internal Control Review as far as practicable.

Publication of audited results for the years ended 31 March 2021 and 31 March 2022 and the interim results for the six months ended 30 September 2021

The Company is currently working closely with the Auditor for the audit of the Company's consolidated financial statements for the year ended 31 March 2021. Due to the delay caused by the outbreak of the Omicron variant of COVID-19 in Hong Kong, the Company anticipates that the 2021 Annual Results and the unaudited results of the Company for the six months ended 30 September 2021 will be published in the second quarter of 2022.

Subject to the progress of the preparation of the 2021 Annual Results, the Board will make further announcement(s) in respect of the expected dates of publishing the 2022 Annual Results as and when appropriate.

Demonstrate compliance with Rule 13.24

Based on the financial figures currently available to the Company, despite the incident relating to the Involved Directors, there is no adverse impact on the revenue of the Company after the suspension of the Involved Directors and the Company is confident it can demonstrate its compliance with Rule 13.24 after the publication of the 2021 Annual Results and the interim results for the six months ended 30 September 2021.

Other resumption conditions

The Company is taking appropriate steps to fulfill the other conditions in the Resumption Guidance and will update the shareholders and potential investors of the Company on, among others, the progress as and when appropriate.

BUSINESS OPERATIONS

The Group is principally engaged in the provision of steel and metal engineering services in Hong Kong, ranging from design, manufacture, supply and installation of steel and metal products for construction projects, under the brand "Hang Yick (恒益)".

As at the date of this announcement, the business operations of the Group are continuing as usual in all material respects. The Board will continue to assess and monitor the impact of the suspension of trading (if any) on the operations and financial performance of the Company.

CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board announces that with effect from 30 March 2022, Mr. Lee Pui Sun has ceased to be a member and the chairman of the nomination committee of the Board ("Nomination Committee") and Mr. Lee Ka Chun Benny, the interim chairman of the Company has been appointed as a member and the chairman of the Nomination Committee.

CONTINUED SUSPENSION OF TRADING OF THE SHARES

Trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 22 April 2021 and shall remain halted until further notice.

In the meantime, shareholders and potential investors of the Company are advised to exercise caution when dealing in shares of the Company.

By order of the Board
Hang Yick Holdings Company Limited
Lee Ka Chun Benny
Interim Chairman

Hong Kong, 21 April 2022

As at the date of this announcement, the Board comprises Mr. Lee Pui Sun, Ms. Lau Lai Ching, Mr. Lee Ka Ho and Mr. Sin Kwok Chi Stephen as executive Directors, Mr. Lee Ka Chun Benny as non-executive Director, and Mr. Au Yeung Wai Key, Mr. Tse Ka Ching Justin and Mr. Cheung Chun Man Anthony as independent non-executive Directors. The duties of Mr. Lee Pui Sun, Ms. Lau Lai Ching and Mr. Lee Ka Ho are suspended.