

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HANG YICK HOLDINGS COMPANY LIMITED

恒益控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1894)

PROFIT WARNING

This announcement is made by Hang Yick Holdings Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the 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 “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated financial information of the Group for the six months ended 30 September 2020 (the “**Reporting Period**”), the Group expects that its net profit for the Reporting Period will significantly decrease by approximately 90% as compared to the Group’s net profit of HK\$9.0 million for the six months ended 30 September 2019.

The Directors consider that the expected significant decrease in the Group’s net profit for the Reporting Period is mainly due to i) the significant increase in staff costs of approximately HK\$18.4 million, or approximately 72%, for workers at construction sites yet a smaller growth in the Group’s revenue of approximately 9% for the same period. The overall efficiency of the construction works was influenced by measures implemented at the construction sites, such as stringent social distancing and hygiene arrangements for construction workers, in response to the outbreak of the COVID-19, resulted in relatively higher staff costs but yet slower progress of the construction works, ii) Delays of the Group’s construction works caused billing delays to the Group’s certain customers given that the required progress of the construction works for certain construction projects were not achieved, and accordingly, lesser revenue was recognised in respect of those construction projects during the Reporting Period; and iii) two existing projects during the Reporting Period were in the completion stage and that the actual revenue certified by the customers was comparatively lower than the actual costs incurred.

The Company is in the process of finalising the Group’s unaudited consolidated financial information for the six months ended 30 September 2020. The information contained in this announcement is only based on the preliminary assessment by the Company’s management of the Group’s unaudited consolidated financial information and information currently available, which has not been reviewed nor finalised by the audit committee of the Company and is subject to changes and adjustments arising from further review. The actual interim results may be different from the information contained in this announcement.

The interim results of the Group for the six months ended 30 September 2020 is expected to be published on 30 November 2020 (the “**Interim Result Announcement**”). Shareholders and potential investors are advised to refer to the Interim Result Announcement for more detailed information.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Hang Yick Holdings Company Limited
Lee Pui Sun
Chairman and Executive Director

Hong Kong, 16 November 2020

As at the date of this announcement, the Board comprises Mr. Lee Pui Sun, Ms. Lau Lai Ching and Mr. Lee Ka Ho as executive Directors, Mr. Lee Ka Chun Benny and Mr. Zhang Chen as non-executive Directors, and Mr. Au Yeung Wai Key, Mr. Tse Ka Ching Justin and Mr. Wun Wai Yee Duncan as independent non-executive Directors.