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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)

QUARTERLY UPDATE

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 announcement of the Company dated 21 July 2021 (the “**Announcement**”) in relation to, among other matters, the Resumption Guidance. Capitalised terms used herein shall have the same meanings as defined in the Announcement 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 an independent forensic accounting review (“**Forensic Accounting Review**”) in respect of the suspected and/or alleged misconduct of the Involved Directors.

RSM has commenced the Forensic Accounting Review in respect of the suspected and/or alleged misconduct of the Involved Directors. Up to the date of this announcement, the Forensic Accounting Review is still on-going and is expected to be completed within three months. The Company will make further announcement(s) in relation to the Forensic Accounting Review as and when appropriate.

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 (HK) Risk Advisory Limited to assist the Group in carrying out necessary review procedures based on the existing procedures, systems and controls (including accounting and management systems) and to identify internal control weaknesses, make recommendations and assist the Group to enhance and strengthen of the internal control mechanism so as to meet the requirements of the Listing Rules.

Publication of audited results for the year ended 31 March 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. As disclosed in the Announcement, the Company anticipates that the 2021 Annual Results will be published in or around November, subject to the result of Forensic Accounting

Review and internal control review. In light of the on-going Forensic Accounting Review and internal control review, there may be further delays in the publication of the 2021 Annual Results.

Publication of the interim results for the six months ended 30 September 2021

Pursuant to Rule 13.49(6) of the Listing Rules, the Company is required to published its interim results for the six months ended 30 September 2021 (the “**2021 Interim Results**”) on or before 30 November 2021. As the publication of the 2021 Annual Results may be delayed due to the on-going Forensic Accounting Review and internal control review, the publication of the 2021 Interim Results may be delayed. Further announcement(s) will be made by the Company with regards to the publication of the 2021 Interim Results in accordance with the requirements of the Listing Rules as and when necessary.

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.

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 suspended 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 October 2021

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.