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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)

FULFILMENT OF ALL RESUMPTION GUIDANCE AND RESUMPTION OF TRADING

FULFILMENT OF ALL RESUMPTION GUIDANCE

The Board is pleased to announce that the Company has fulfilled all the Resumption Guidance.

RESUMPTION OF TRADING

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. As the Resumption Guidance has been satisfied in full following the Completion, an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 August 2023.

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).

References are made to the announcements of the Company dated 22 April 2021, 5 May 2021, 7 June 2021, 9 June 2021, 21 July 2021, 21 October 2021, 21 January 2022, 21 April 2022, 21 July 2022, 2 September 2022, 21 October 2022, 9 December 2022, 16 December 2022, 29 December 2022, 18 January 2023, 31 January 2023, 10 February 2023, 23 March 2023, 13 April 2023, 21 April 2023 and 3 August 2023 (together the “**Announcements**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

BACKGROUND

As disclosed in the Announcements, on 22 April 2021, the Company's three former executive directors, namely Mr. Lee Pui Sun, Ms. Lau Lai Ching and Mr. Lee Ka Ho (collectively, the "**Involved Former Directors**") were arrested by the SFC and the CCB for market misconduct and fraud (the "**First Investigation**") and were released on police bail on 23 April 2021. At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 22 April 2021.

To the best of the Directors' knowledge, the First Investigation relates to the Alleged Bogus Transactions comprising of two separate payments of deposits, which corresponded to two different purchase agreements with suppliers:

- (i) On 10 March 2020, Hang Yick Gate Engineering Limited ("**HYGE**"), a subsidiary within the Group, and Golden Fort Trading Company Limited ("**Golden Fort**") entered into an agreement for the procurement of machinery amounting to approximately HK\$23.8 million. On 18 March 2020, HYGE paid HK\$9.5 million to Golden Fort as a deposit.
- (ii) On 11 March 2020, HYGE and EF Company Limited ("**EF**") further entered into an agreement for the procurement of machinery amounting to approximately HK\$27.3 million. On 26 March 2020, HYGE paid HK\$9.6 million to EF as a deposit.

On 7 July 2021, the SFC and ICAC attended the Company's headquarters with search warrants and Mr. Lee Pui Sun and Mr. Lee Ka Ho, being two of the Involved Former Directors, were requested to assist ICAC for its investigation (the "**Second Investigation**"). Mr. Lee Pui Sun is arrested and is released on bail. Mr. Lee Ka Ho is not arrested and is also released. To the best of the Directors' knowledge, the Second Investigation is not relevant to the Alleged Bogus Transactions and there is no indication that the Second Investigation is related to the business operation of the Group.

As at the date of this announcement, to the best of the Directors' knowledge, no formal charge has been made against the Involved Former Directors.

The Board established the SIC to, among other matters, investigate the alleged misconduct of the Involved Former Directors, report its findings on the First Investigation and the Second Investigation to the Board and make necessary recommendations to the Board and to request the Board to take all appropriate remedial actions based on the findings of the First Investigation and the Second Investigation. The SIC has engaged RSM Corporate Advisory (Hong Kong) Limited ("**RSM Advisory**") as independent forensic accountant to conduct the Forensic Review.

RESUMPTION GUIDANCE

On 19 July 2021, the Board received a letter from the Stock Exchange setting out the following Resumption Guidance for the resumption of trading in the shares of the Company:

- (1) 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;
- (2) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) demonstrate compliance with Rule 13.24 of the Listing Rules; and
- (7) announce all material information for the Company's shareholders and other investors to appraise the Company's position.

On 16 December 2022, the Company received a letter from the Stock Exchange notifying the Company that the Listing Committee, having considered that the Company had not met any of the Resumption Guidance, decided to cancel the Company's listing. On 29 December 2022, the Company submitted an application requesting for review of the Decision by the Listing Review Committee. The Listing Review Committee heard the Review on 24 March 2023. The Company received a letter from the Listing Review Committee dated 4 April 2023 indicating that they had decided to overturn the Decision of the Listing Committee to cancel the Company's listing under Rule 6.01A of the Listing Rules ("**LRC Decision**") and instead grant an extension of the remedial period to 28 June 2023 for the Company to complete specific steps as described in the subsection headed "Resumption Guidance 4" below, in order to demonstrate that there is no reasonable regulatory concern about management integrity.

FULFILMENT OF ALL THE RESUMPTION GUIDANCE

The Board is pleased to announce that the Company has fulfilled all the Resumption Guidance, details of which are set out as follows:

Resumption Guidance 1 — conduct an appropriate independent investigation into the issues identified and take appropriate remedial actions

RSM Advisory has conducted the Independent Investigation on the Alleged Bogus Transactions. The Forensic Review included a review of those payments of prepayments, deposits and advances (“**PPDA**”) transactions made by the Group that were greater than HK\$1 million for a period of 36 months up to 31 March 2021 as an attempt to unveil any unauthorized and/or suspected material payments as may be made by the Group.

Key findings of the Independent Investigation

Based on the Investigation Report published in September 2022, RSM Advisory made the following key findings:

- (a) The Alleged Bogus Transactions were suspicious and did not appear to have been entered into after arm’s length negotiation. There are a number of indicators which suggest that the Alleged Bogus Transactions were suspicious including:
 - (i) The suppliers were not otherwise introduced by the staff of Huizhou Hengyi Wujin Zhipin Limited production plant which would be the place to house and use the new machineries;
 - (ii) The applied exchange rates of certain purchase prices of the machinery had more than 10% difference from the prevailing exchange rates at the material time of the transactions;
 - (iii) Both Golden Fort and EF had failed to supply the machinery or refund the deposits to the Group. From background search and site visits, it did not suggest that Golden Fort or EF can supply the required machinery and/or they had any clear competitive advantage above other potential suppliers; and
 - (iv) The EF Agreement, the Golden Fort Agreement and all cheques for payment of the deposits in respect of these two purchases were signed by the Involved Former Directors.
- (b) The Alleged Bogus Transactions were not entered into in compliance with the procurement process policy (“**PPE Policy**”), *inter alia* the required supplier’s selection process was not followed:
 - (i) The formal approval documents had not been executed and/or maintained for the Alleged Bogus Transactions.

- (ii) The required comparable quotations pursuant to the PPE Policy from suppliers other than Golden Fort and EF were outdated and were obtained during the IPO process which were at least 22 months before the Alleged Bogus Transactions took place.
- (c) Seven PPDA transactions exceeding HK\$1 million, which were mainly related to the Group's PRC business conducted by HY China Investment Company Limited and its subsidiaries ("**HY China Group**"), may not be entered into under normal commercial arrangement and/or appear to be suspicious. Among others, the following observations were made:
 - (i) All the then directors claimed that they had or have limited knowledge in respect of the relevant PRC contracts or projects, and they relied on a former senior management and a former director to handle the relevant due diligence, compliance, contract negotiation and execution and the management of the relevant projects;
 - (ii) Only two of the PPDA were tabled for the Board for approval; and
 - (iii) There has been a total lack of monitoring of the status and/or progress of the PPDA transactions. There is no information available which suggests that the then directors had regular enquiry and discussion in the board meeting in respect of the PPDA transactions although there had been significant delay on the projects as asserted and/or the refund of the deposit and/or the payment of loan interest had been long overdue.

The Investigation Report does not make any conclusion as to who are responsible for the Alleged Bogus Transactions and the PPDA transactions (together the "**Incident Transactions**"). Instead, all the persons involved in or related to the Incident Transactions are all identified, namely the Involved Former Directors, Mr. A being a former senior management, Mr. B being a former director and a former employee, and they had all resigned from and left the Group, and ceased to have any relationship with the Group.

Detailed summary of the major findings of the Independent Investigation and recommendations made by RSM Advisory has been set out in the Announcement dated 2 September 2022.

The Independent Investigation was completed by RSM Advisory. After reviewing and considering the Investigation Report, the SIC is of the view that RSM had performed appropriate and comprehensive procedures in respect of the Independent Investigation and that the following recommendations were made to the Company including but not limited to:

- (i) seeking legal or other professional advice on whether to report to the police in respect of the suspected fund embezzlements through the Incident Transactions; and the availability of legal remedy and claims to recover the outstanding amount of the deposits and loans paid by the Group in this regard;
- (ii) the re-organisation of the senior management of the Company, including the necessity of management and Board clean-up and the appointment of new officers;
- (iii) implementing effective corporate governance structure at the senior levels of the Company, such as the appointment of suitably qualified personnel to advise the relevant senior management of the Group with regard to the compliance with the relevant regulatory requirements in all of the Company's business endeavours; and
- (iv) implement enhancements to the Company's internal controls designed to address and resolve all loopholes, weaknesses or issues identified in the course of the Company's continuous efforts on reviewing and enhancing its internal controls.

Following the recommendations in the Investigation Report and from the SIC, the Company had taken remedial actions including but not limited to (i) the appointment of new Directors to replace the Involved Former Directors; (ii) the rectification of the internal control deficiencies; (iii) reporting the matters to the police; and (iv) taking legal action against parties involved in the suspicious PPDA transactions. Despite the above actions taken, the Board has considered that there is high uncertainty to recover the outstanding balances arising from the Incident Transactions, and hence a full provision of an aggregate of approximately HK\$112.0 million, representing all the outstanding balances arising from the Incident Transactions, have been made and recorded in the financial year ended 31 March 2021.

Regarding the concerns over the issues involving HY China Group identified in the Independent Investigation, joint provisional liquidators have been appointed in February 2023 for the winding up of HY China. Hence, the HY China Group has ceased to be controlled by the Group and was therefore deconsolidated from the consolidated financial statements of the Group. Save and except the continuing and unaffected operation of Huizhou Hengyi Wujin Zhipin Limited* (惠州恒益五金製品有限公司) as production base of the Group, the Group has no intention or plan to resume its post-IPO PRC business.

Accordingly, the Resumption Guidance 1 has been fulfilled.

Resumption Guidance 2 — publish all outstanding financial results required under the Listing Rules and address any audit modifications

As at the date of this announcement, all the Company's outstanding financial results have been published as follows:

- (a) on 21 October 2022, the Company published its unaudited interim results for the six months ended 30 September 2021 (which was supplemented on 10 March 2023) with the relevant interim report issued on 10 March 2023;
- (b) on 30 November 2022, the Company published its unaudited interim results for the six months ended 30 September 2022 (which was supplemented on 10 March 2023) with the relevant interim report issued on 10 March 2023;
- (c) on 31 January 2023, the Company published its audited annual results for the years ended 31 March 2021 and 2022 with the relevant annual reports issued on 2 March 2023 (in which a disclaimer opinion was expressed by the auditors of the Company concerning: (i) the business rationale, commercial substance, the completeness, accuracy and validity of the Incident Transactions; (ii) insufficient accounting records of the HY China Group; and (iii) the opening balances and the comparative information in respect of the account balances as at 31 March 2020 and 31 March 2021 respectively, and any consequential effects on the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statements of changes in equity and cash flows for the years ended 31 March 2021 and 31 March 2022 respectively); and
- (d) on 30 June 2023, the Company published its audited annual results for the year ended 31 March 2023 (in which a true and fair view opinion was given by the auditors of the Company in respect of the consolidated statement of financial position of the Group as at 31 March 2023 but a disclaimer opinion was expressed on the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statements of changes in equity and cash flows for the years ended 31 March 2023 due to the unavailability to obtain audit evidence relating to: (i) the HY China Group (though it was de-consolidated from the consolidated financial statements of the Group from 24 February 2023); and (ii) the opening balances and the comparative information in respect of the account balances as at 31 March 2022, and any consequential effects on the Group's financial position for the year ended 31 March 2023).

As confirmed by the auditors of the Group, the disclaimer opinion contained in the audited annual results for the year ended 31 March 2023 will have an impact on the comparative figures of the consolidated financial statements for the year ending 31 March 2024 and, in the absence of any findings in the audit, the audit report will be qualified to such extent. With regards to the consolidated financial statements for the

year ending 31 March 2025, the disclaimer opinion will not have any financial impact on the financials (including comparative figures) and the audit report will not be modified in such respect.

Accordingly, the Resumption Guidance 2 has been fulfilled.

Resumption Guidance 3 — demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules

In October 2021, the Company has engaged Crowe to assist the Group in carrying out the Internal Control Review which was completed in October 2022.

The key internal control weaknesses identified, the corresponding recommendations for rectification and the Company’s response and remediation status are summarised as follows:

No.	Key internal control weaknesses	Recommendations for rectification	Company’s response and remediation status
1	Anti-fraud policies need to be strengthened	The Group should enhance the contents of and the implementation of the anti-fraud policy.	<p>The anti-fraud policies had been enhanced and approved by the Board. Written commitment to the compliance with the anti-fraud policies was obtained and retained from employees.</p> <p>Trainings for employees on updated written policies of the Group, covering the anti-fraud policies, were held on 7 October 2022.</p>
2	Enhancement of written policies and procedures	<p>Policies and procedures should be reviewed by management at least annually to ensure that these formal procedures remain effective and consistent with the current operation. The review results should be reported to the Board. Employees should also be trained to get familiar with the key control procedures.</p>	<p>The written policies and procedures have been amended based on the recommendation, reviewed and approved by the Board.</p> <p>Trainings for employees on updated written policies of the Group were held on 7 October 2022.</p> <p>Management is committed to conduct a review of the written policies on an annual basis.</p>

No.	Key internal control weaknesses	Recommendations for rectification	Company's response and remediation status
3	Inadequate approval authority and reporting mechanism to Board	The draft authorization matrix, including the thresholds and criteria set therein, should be finalized and approved by the Board for effective implementation.	<p>The thresholds and criteria for reporting matters to the Board was set under the authorisation matrix. The authorisation matrix had been approved by the Board.</p> <p>Mechanism of circulation of monthly summary of significant and new transactions to the Board was set. The mechanism had been implemented by management since early October 2022.</p>
4	Contract management not properly implemented	Contracts should be reviewed by a person or a group of people with specific and relevant qualification and experience who is capable to assess the fairness and appropriateness of key contractual terms and the review of contracts should be formally documented and signed by responsible personnel in a written document.	<p>Written policies and procedures in respect of contract review had been enhanced to ensure that contracts are reviewed by competent personnel, supervised by administration department throughout the contract approval process and the proper retention of contract review record. The enhanced mechanism had been implemented by management.</p> <p>Engineering projects that without formal contracts with customers had been summarised in a list by administration department and circulated to the tendering department and engineering department for follow up.</p>
5	Inadequate segregation of duties in accounting and treasury	The administrators of accounting systems should be held by appropriate persons who are independent of the duties of accounting and treasury.	The administrator of accounting systems has been assigned to the head of administration department (i.e. team administrator) who is not involved in the duties of accounting and treasury of the Group.

No.	Key internal control weaknesses	Recommendations for rectification	Company's response and remediation status
6	Lack of full monitoring of outstanding prepayments, deposits and advances	<p>Mechanisms of monitoring outstanding prepayments, deposits and advances should be established.</p> <p>Regular follow-up action should be taken by front line management (such as the finance department) with a view to facilitating the regular assessment on the recoverability and impairment.</p>	<p>The mechanism of quarterly assessment on outstanding PPDA was set under the written policies.</p> <p>Existing outstanding PPDA with status of follow up had been summarised and reviewed by senior management.</p>
7	Absence of comprehensive due diligence process on suppliers and cost monitoring	<p>Proper due diligence on the supplier should be conducted for the supplier selection in accordance with the policies and procedures.</p> <p>For the cost monitoring on the materials, specific and objective benchmark should be established to regulate and control the procurement costs.</p>	<p>The required procedures of supplier due diligence were properly executed by existing management.</p> <p>It was advised by management that management had decided to control procurement cost of the Group by purchase through Huizhou Hengyi Wujin Zhipin Limited ("HZHY") where under applicable circumstances. The said cost control measure was implemented by the Group.</p>

No.	Key internal control weaknesses	Recommendations for rectification	Company's response and remediation status
8	Inadequate controls over compliance with laws and regulations relevant to social insurance and housing provident fund	<p>HZHY should seek legal opinions on the appropriateness of its current treatment on social insurance and housing provident fund.</p> <p>When appropriate, based on the legal advice sought, HZHY may establish an effective mechanism to ensure the full registration of employees in the housing provident fund scheme and making contribution payments based on the actual salary of employees.</p>	<p>The Board has obtained the relevant legal opinions.</p> <p>Annual review will be conducted by the finance team to review the status of the social insurance amount. The results will be reported to the Board.</p>
9	Inadequate segregation of duties over payment authorisation	<p>Payment authorization of cheque and internet banking should be reassessed and rearranged. In addition, a quarterly payment schedule should be prepared by the finance department and submitted to the Board for pre-approval of the payment and monitoring of irregularities.</p>	<p>The Involved Former Directors have been removed from the bank signatories and the internet banking of all bank accounts of the Group.</p>

No.	Key internal control weaknesses	Recommendations for rectification	Company's response and remediation status
10	Controls over cash advance and loan to staff need to be strengthened	<p>The Group should establish criteria and thresholds for the requisition and approval of the cash advance. Documentation on the cash advance should be formally retained by the Group.</p> <p>The Group should cease providing loan to staff, or set up procedures of considering the financial impact before granting of loan.</p>	<p>The management will revise the cash advance procedures and request the recipient to confirm that the amount will be used for business nature. An annual confirmation will be required to the recipient that the amount have been held by them. Staff loan will be no longer allowed and all the outstanding amounts (if any) have been settled by 15 September 2022.</p> <p>The Company no longer allow staff loans and cash advance since 15 September 2022 and 22 October 2022, respectively.</p>
11	Sufficiency of operations and assets not fully monitored	<p>The Group should prepare annual budget and monthly cash flow forecasts in accordance with the written policies. The budgets and forecasts should be reviewed and approved by the Board. The finance department should conduct a variance analysis on regular basis, such as semi-annually.</p>	<p>The annual budget and cash flow forecast have been approved by the Board on 13 January 2023.</p>
12	Absence of insurance coverage for directors and officers liabilities	<p>Upon approval of the Resumption, the Company should procure Directors and Officers (“D&O”) liability insurance to cover potential legal actions against its Directors and officers.</p>	<p>The Company is committed to and undertakes to procure the D&O insurance upon Resumption.</p>

No.	Key internal control weaknesses	Recommendations for rectification	Company's response and remediation status
13	Enhancement of connected and notifiable transactions management	The Group should enhance the controls and monitoring mechanism on the identification, approval and disclosure of connected transactions and notifiable transactions.	The connected party transaction policy have been updated to cover the definition of connected person for identification. The approval and disclosure procedures of connected transactions and notifiable transactions and the list of the connect person will be circulated to subsidiaries. The latest list of connected persons has been circulated. The administration and finance department will inform all the subsidiaries the updated list if there are any changes.
14	No regulatory compliance checklist and policies external legal consultants established	A compliance checklist that stipulates the relevant laws and regulations that should be followed by the Group and key responsible management should be established, implemented and checked by top management on a regular basis and the Group should establish a written policy to lay down specific criteria and procedures of seeking appropriate legal advices from external legal consultant.	Written policy governing the procedures of appointment of external legal consultant has been formulated and become effective since 27 September 2022. Besides, a compliance checklist has been established and adopted by the Group in ascertaining the compliance status.

As disclosed above, the Company has implemented all of the internal control remedial measures recommended by Crowe including but not limited to (i) removing the Involved Former Directors as the bank signatories of all bank accounts of the Group; (ii) strengthening anti-fraud, anti-corruption and whistleblowing policies of the Group; (iii) implementing contracts approval procedure and contract signing checklist; and (iv) committing to procure an insurance coverage for directors and officers liability upon trading resumption.

To monitor its internal control implementation, the Company has engaged CT Partners Consultants Limited as its external internal control advisor to review the Group's internal control system on a quarterly basis.

Accordingly, the Resumption Guidance 3 has been fulfilled.

Resumption Guidance 4 — demonstrate that there is no reasonable regulatory concern about management integrity

Since September 2022, the three Involved Former Directors had resigned from all positions of the Group. It was further noted that all the existing members of the Board were appointed after the timing of the Incident Transactions.

To address the concern over the possible influence of the Involved Former Directors through their ownership in HY Steel which was a controlling shareholder holding 513,155,000 Shares (“**Sale Shares**”), representing 66.9% of the issued share capital of the Company, as stated in the Announcement dated 13 April 2023, the Sale Shares were intended to be disposed of through (i) selling 20% equity interest in the Company to an independent third party (the “**Disposal**”) and (ii) placing the remaining 46.9% equity interest in the Company to independent third party places on a best-effort basis (the “**Placing**”).

According to the LRC Decision, the Listing Review Committee recognized that but for the completion of the Disposal and the Placing, the Company had substantially implemented all steps that would lead to a resumption of trading. The Listing Review Committee had granted an extension of the remedial period to 28 June 2023. In particular, the Company shall demonstrate the following steps having completed to the satisfaction of the Listing Division of the Stock Exchange by 28 June 2023 in order to demonstrate that there is no reasonable regulatory concern about management integrity, following which trading in the Shares may resume:

- (A) HY Steel completes the sale of Sale Shares to independent third parties fulfilling the criteria set out in (B) below on or before 28 June 2023; and
- (B) All purchasers and their ultimate beneficial owner(s) (if applicable) of the Sale Shares are independent of and not connected or associated with the Involved Former Directors or the Company’s connected persons (as defined under the Listing Rules).

However, having considered that the Placing did not proceed as expected and the Disposal alone could not fulfil the Resumption Guidance 4, HY Steel did not proceed with the Disposal and the Placing.

On 23 June 2023, HY Steel entered into an unconditional sale and purchase agreement (the “**SPA**”) with Mr. Xu Ai Hua (the “**Purchaser**” or the “**Offeror**”), to dispose of the Sale Shares to the Purchaser. The SPA was completed (“**Completion**”) on the same day. Immediately upon the Completion and as at the date of this announcement, the Purchaser and the parties acting in concert with it are interested in 513,155,000 Shares, representing approximately 66.85% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Purchaser being the offeror will therefore be required to make a mandatory unconditional cash offer for all the issued

Shares (other than those already owned or agreed to be acquired by the Purchaser and the parties acting in concert with it). For details of the SPA and related general offer arrangements, please refer to the joint announcement issued by the Offeror and the Company on the same date of this announcement. Following the Completion and as at the date hereof, the Purchaser is the beneficial owner of the Sale Shares and HY Steel has ceased to own, control or have any interests in any share, securities or voting rights in the Company.

After the Company is aware of the identity of the Purchaser for the Disposal, the Board has taken the following steps to check the independence of the Purchaser including: (i) making inquiries with all the Company's connected persons (including all directors of the Company and its subsidiaries) and senior management whether they are acquainted with or heard about the Purchaser; (ii) checking the name of the Purchaser against the "connected person control checklist" (which is prepared by the Company for its internal control purpose) to see if the Purchaser falls within the names of the connected persons of the Company within the meaning of Chapter 14A of the Listing Rules; (iii) making inquiries with all the directors of the Company and its subsidiaries if the Purchaser is or has ever been a customer, supplier, sub-contractor or joint venture partner of the Group, and if they are aware that the Purchaser is a major shareholder or a director of any of the Group's major customers, suppliers, sub-contractors or joint venture partner; and (iv) reviewing the curricular vitae of the Purchaser to see his employment history to see if there is any connection with the business of the Group.

After all necessary enquiries made by the Company, save as being the controlling shareholder of the Company within the meaning of the Listing Rules, the Purchaser is independent of and not connected with or associated with HY Steel, the Involved Former Directors, or the Company's connected persons (within the meaning of the Listing Rules) and is also a third party independent of and not connected with the Company or any of its connected persons as defined under the Listing Rules. HY Steel and the Involved Former Directors have confirmed that, other than the transaction under the SPA, they have no past or other relationship or (personal, business or financial including any loan or financing arrangement) with the Purchaser. HY Steel and the Involved Former Directors have also confirmed in writing that, other than the SPA, there is no side agreement, understanding or arrangement (formal or informal, legally binding or not) between the Purchaser on the one part and HY Steel and the Involved Former Directors on the other in connection with the SPA or the Company. The Company confirms that there is no side agreement, understanding or arrangement (formal or informal, legally binding or not) between the Purchaser and the Company (including any directors, senior management and its connected persons as defined under the Listing Rules).

Accordingly, the Resumption Guidance 4 has been fulfilled.

Resumption Guidance 5 — demonstrate the directors meet a standard of competence required under Rules 3.08 and 3.09 of the Listing Rules

The Board is newly constituted comprising Mr. Leung Fuk Shun as the chairman of the Board and independent non-executive Director, Mr. Sin Kwok Chi Stephen and Mr. Ho Chi Yuen as executive Directors, and Mr. Cheung Chun Man Anthony and Mr. Law Chi Hung as independent non-executive Directors. All the Directors are not involved in the Incident Transactions.

The Board has further resolved to establish a new Risk Management Committee currently comprising Mr. Law Chi Hung (the independent non-executive Director) as the chairman, and Mr. Leung Fuk Shun (the chairman of the Board and independent non-executive Director), Mr. Ho Chi Yuen (the executive Director) and Mr. Cheung Chun Man Anthony (the independent non-executive Director) as members to be responsible for overseeing and monitoring the internal control and risk management of the Group.

Accordingly, the Resumption Guidance 5 has been fulfilled.

Resumption Guidance 6 — demonstrate compliance with Rule 13.24 of the Listing Rules

As shown from the Company's audited annual results for the year ended 31 March 2023, the Group has maintained a high level of operating activities and revenue and the financial results of the Group are satisfactory. Based on the audited annual results for the year ended 31 March 2023, the Company has recorded a revenue from continuing operations of about HK\$184.9 million with a profit of about HK\$2.9 million, and net assets of about HK\$170.1 million.

Therefore, the Company has continued to maintain a business with sufficient level of operation and assets of sufficient value in compliance with Rule 13.24 of the Listing Rules.

In light of the above, the Resumption Guidance 6 has been fulfilled.

Resumption Guidance 7 — announce all material information for the Company's shareholders and investors to appraise the Company's position

Since the suspension of trading of the shares in the Company, the Company has kept its shareholders and potential investors informed of all material information in relation to the Resumption Guidance and any relevant updates and progress by way of announcements.

The Board believes that the Company has announced all material information it considers necessary and appropriate for the Company's shareholders and investors to appraise the Company's position.

In light of the above, Resumption Guidance 7 has been fulfilled.

RESUMPTION 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. As the Resumption Guidance has been satisfied in full following the Completion, an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 August 2023.

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

By order of the Board
Hang Yick Holdings Company Limited
Leung Fuk Shun
Chairman

Hong Kong, 3 August 2023

The English names of marked with “” are unofficial English translations of the Chinese names of, among others, entities, laws or regulations or government authorities, that do not have official English names. If there is any inconsistency, the Chinese names shall prevail.*

As at the date of this announcement, the Board comprises Mr. Sin Kwok Chi, Stephen, and Mr. Ho Chi Yuen as executive Directors, and Mr. Leung Fuk Shun (Chairman), Mr. Law Chi Hung, and Mr. Cheung Chun Man Anthony as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.