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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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Hang Yick Holdings Company Limited (the “**Company**”) announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025 (“**FY2025**”), together with the comparative figures for the year ended 31 March 2024 (“**FY2024**”) as follows.

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March 2025*

		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Revenue</b>	<b>4</b>	<b>187,517</b>	157,197
Direct costs		<u>(184,946)</u>	<u>(139,202)</u>
<b>Gross profit</b>		<b>2,571</b>	17,995
Other income and other gains and losses	<b>6</b>	<b>(5,778)</b>	593
Administrative expenses		<u>(20,102)</u>	<u>(22,983)</u>
<b>Loss from operations</b>		<b>(23,309)</b>	(4,395)
Finance costs	<b>7</b>	<u>(10)</u>	<u>(49)</u>
<b>Loss before taxation</b>	<b>8</b>	<b>(23,319)</b>	(4,444)
Income tax (expense)/credit	<b>9</b>	<u>(693)</u>	<u>326</u>
<b>Loss for the year attributable to owners of the Company</b>		<u><b>(24,012)</b></u>	<u>(4,118)</u>
<b>Other comprehensive income/(expenses) for the year, net of tax</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u><b>510</b></u>	<u>(887)</u>
<b>Total comprehensive expenses for the year attributable to owners of the Company</b>		<u><u><b>(23,502)</b></u></u>	<u><u>(5,005)</u></u>
<b>Loss per share</b>	<b>11</b>		
Basic and diluted (cents)		<u><u><b>(2.7)</b></u></u>	<u><u>(0.5)</u></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>20,943</b>	19,299
Right-of-use assets		<b>2,790</b>	3,282
Financial asset at fair value through profit or loss		<b>5,826</b>	5,703
Deferred tax assets		<b>82</b>	439
		<b>29,641</b>	28,723
<b>Current assets</b>			
Inventories		<b>26,010</b>	21,885
Trade receivables	12	<b>23,182</b>	20,099
Other receivables, deposits and prepayments		<b>8,632</b>	4,862
Contract assets		<b>48,937</b>	47,711
Current tax assets		<b>–</b>	1,555
Structured bank deposits		<b>13,974</b>	–
Cash and bank balances		<b>17,116</b>	63,556
		<b>137,851</b>	159,668
<b>Current liabilities</b>			
Trade and other payables and accruals	13	<b>20,469</b>	18,613
Contract liabilities		<b>149</b>	9,135
Lease liabilities		<b>81</b>	155
		<b>20,699</b>	27,903
<b>Net current assets</b>		<b>117,152</b>	131,765
<b>Total assets less current liabilities</b>		<b>146,793</b>	160,488

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Provisions		<b>2,285</b>	280
Lease liabilities		<u>—</u>	<u>239</u>
		<u><b>2,285</b></u>	<u>519</u>
<b>NET ASSETS</b>		<u><b>144,508</b></u>	<u>159,969</u>
<b>Capital and reserves</b>			
Equity attributable to owners of the Company			
Share capital	<i>14</i>	<b>9,211</b>	7,676
Reserves		<u><b>135,297</b></u>	<u>152,293</u>
<b>TOTAL EQUITY</b>		<u><b>144,508</b></u>	<u>159,969</u>

## NOTES:

### 1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 6 March 2018 and its shares have been listed on Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company acts as an investment holding company. The principal activities of its subsidiaries are mainly provision of steel and metal engineering services and sales of steel and metal products.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and HK (IFRIC) Interpretations, HK Interpretations and HK (SIC) Interpretations (collectively referred to as “**Interpretations**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Company and its subsidiaries (collectively referred to as the “**Group**”) are disclosed below.

### 3. APPLICATION OF NEW AND REVISED TO HKFRS ACCOUNTING STANDARDS

#### (a) Application of new and revised HKFRS Accounting Standards

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.

**(b) New and revised HKFRS Accounting Standards in issue but not yet effective**

The Group has not applied any new and revised HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning on 1 April 2024. These new and revised HKFRS Accounting Standards include the following which may be relevant to the Group.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>3</sup></i>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures<sup>3</sup></i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>2</sup></i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>2</sup></i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup></i>
Amendments to HKAS 21	<i>Lack of Exchangeability<sup>1</sup></i>
Annual Improvements to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11<sup>2</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

**4. REVENUE**

**(a) Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major products or service lines for the year is as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<i>Disaggregated by major products or service lines</i>		
Provision of steel and metal engineering services	<b>176,476</b>	137,549
Sales of steel and metal products	<b>11,041</b>	19,648
	<b>187,517</b>	157,197

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major products or service lines:

Timing of revenue recognition	Provision of steel and metal engineering services		Sales of steel and metal products		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Products transferred at a point in time	–	–	11,041	19,648	11,041	19,648
Products and services transferred over time	<u>176,476</u>	<u>137,549</u>	<u>–</u>	<u>–</u>	<u>176,476</u>	<u>137,549</u>
	<u>176,476</u>	<u>137,549</u>	<u>11,041</u>	<u>19,648</u>	<u>187,517</u>	<u>157,197</u>

The customers of the Group are mainly construction companies, contractors and engineering companies in Hong Kong. All of the Group's provision of steel and metal engineering services and sales of steel and metal products are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

**(b) Transaction price allocated to the remaining performance obligations**

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period:

	2025	2024
	HK\$'000	HK\$'000
Provision of steel and metal engineering services	<u>239,991</u>	<u>321,723</u>

Based on the information available to the Group at the end of the reporting period, the directors of the Company expect the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts in respect of provision of steel and metal engineering services as of 31 March 2025 will be recognised as revenue during the years ending 31 March 2026 to 2029 (2024: 31 March 2025 to 2027).

## 5. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the chief operating decision makers, have been identified as the executive directors of the Company, review the segment results of the Group. In the current year, the Group's operations in relation to provision of steel and metal engineering services and sales of steel and metal products which were presented as separate reportable segments in the prior years are considered as a single operating segment in a manner consistent with the way in which information is reported internally to the Board for the purpose of resource allocation and performance assessment. Accordingly, the information of these operations has been aggregated into a single reportable segment and no segment analysis is presented other than entity-wide disclosures.

### Entity-wide disclosures:

#### *Geographical information*

The Group's revenue is derived from Hong Kong and the People's Republic of China (the "PRC") based on the location of goods delivered and services provided as follows:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	187,517	157,165
The PRC	—	32
	<u>187,517</u>	<u>157,197</u>

The Group's non-current assets (other than financial assets and deferred tax assets) are located in Hong Kong and the PRC by physical location of assets as follows:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	3,763	6,081
The PRC	19,970	16,500
	<u>23,733</u>	<u>22,581</u>



*Information about major customers*

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	77,057	39,780
Customer B	53,022	28,143
Customer C	N/A*	15,831

\* Revenue from the customer is less than 10% of the Group's total revenue in the respective year.

**6. OTHER INCOME AND OTHER GAINS AND LOSSES**

	2025 HK\$'000	2024 HK\$'000
<b>Other income</b>		
Interest income from bank deposits	803	644
Government subsidies ( <i>note</i> )	–	474
Sales of scrape material(s)	32	170
Others	43	29
	<u>878</u>	<u>1,317</u>
<b>Other gains and losses</b>		
Impairment loss under expected credit loss model on trade receivables and contract assets, net	(6,771)	(4,752)
Fair value gain on financial asset at fair value through profit or loss	123	158
Net foreign exchange losses	(59)	(1,253)
Gain/(loss) on disposal of property, plant and equipment	47	(1,177)
Others	4	6,300
	<u>(6,656)</u>	<u>(724)</u>
	<u>(5,778)</u>	<u>593</u>

*Note:*

The amounts represent government grants received from the Government of Hong Kong Special Administrative Region. The Group did not have any unfulfilled conditions or contingencies relating to these subsidies.

## 7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowing	–	25
Interest on lease liabilities	<u>10</u>	<u>24</u>
	<u>10</u>	<u>49</u>

## 8. LOSS BEFORE TAXATION

Loss before taxation for the year has been arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration	700	980
Depreciation of property, plant and equipment	3,878	3,420
Depreciation of right-of-use assets	477	479
Cost of inventories recognised as an expense	75,777	67,187
(Gain)/loss on disposal of property, plant and equipment	(47)	1,177
Employee benefits expenses inclusive of directors' emoluments:		
Directors' emoluments	1,785	1,721
Other staff costs:		
Salaries, wages and other benefits	87,771	67,010
Reversal of equity-settled share option expenses	–	(5,123)
Retirement benefits scheme contributions*	4,833	4,114
	<u>92,604</u>	<u>66,001</u>

Cost of inventories recognised as an expense for the year ended 31 March 2025 includes approximately HK\$22,396,000 (2024: HK\$14,618,000) relating to staff costs and depreciation of property, plant and equipment, which are included in the amount disclosed separately above for each of these types of expenses.

\* There are no forfeited contributions that may be used by the Group, as the employer, to reduce the existing level of contributions.

## 9. INCOME TAX EXPENSE/(CREDIT)

Income tax expense/(credit) has been recognised in profit or loss as follows:

	2025 HK\$'000	2024 HK\$'000
Current tax:		
Hong Kong Profits Tax	–	–
The PRC Enterprise Income Tax (“EIT”)	<u>336</u>	<u>28</u>
	336	28
Deferred tax:		
Origination and reversal of temporary differences	<u>357</u>	<u>(354)</u>
	<u>693</u>	<u>(326)</u>

Under the two-tiered Profits Tax regime, the first HK\$2,000,000 of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5%.

The Company’s subsidiaries in the PRC are subject to EIT rate at 25%.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

According to the PRC EIT law, withholding income tax at a rate of 10% would be imposed on dividends relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such dividend tax rate may be further reduced by applicable tax treaties or arrangement. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate on dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is further reduced to 5% if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise.

## 10. DIVIDENDS

The directors of the Company did not recommend payment of any final dividend for the year ended 31 March 2025 (2024: Nil).

## 11. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following:

	2025 HK\$'000	2024 HK\$'000
<b>Losses:</b>		
Losses for the purpose of calculating basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u>(24,012)</u>	<u>(4,118)</u>
	2025 '000	2024 '000
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>887,892</u>	<u>767,600</u>

*Note:*

There were no adjustments for the effects of potential ordinary shares arising from outstanding share options as the average share price of the Company during the year ended 31 March 2024 did not exceed the exercise price of the then outstanding share options, hence they were anti-dilutive and ignored in the calculation of diluted loss per share. The share options were cancelled on 12 October 2023 and no share options outstanding as at 31 March 2024 and 2025.

## 12. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	28,415	24,077
Less: Allowance for credit losses	<u>(5,233)</u>	<u>(3,978)</u>
	<u>23,182</u>	<u>20,099</u>

For customers that the Group provides engineering services on steel and metal works, the Group normally grants credit terms of 30 days from the date of certificate on progress payments of contract works. For customers that the Group sells metal and steel products, except for certain major customers of which the Group grants a credit period of up to 60 days from the delivery of goods, the Group grants no credit terms to other customers and they are to settle payment in full upon delivery of goods. The following is an ageing analysis of the trade receivables denominated in HK\$ and presented based on the date of certificate on progress payments of contract works or the invoice date which approximates the date of revenue recognition for sales of metal and steel products at the end of the reporting period:

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
0–30 days	<b>2,309</b>	13,356
31–60 days	<b>18,678</b>	490
61–90 days	<b>1,090</b>	100
Over 90 days	<b>1,105</b>	6,153
	<u><b>23,182</b></u>	<u>20,099</u>

### 13. TRADE AND OTHER PAYABLES AND ACCRUALS

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Trade payables	<b>3,923</b>	7,365
Accrued staff costs	<b>12,161</b>	8,227
Accruals and others	<b>4,385</b>	3,021
	<u><b>20,469</b></u>	<u>18,613</u>

The credit period granted to the Group by suppliers normally ranges from 0 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
0–30 days	<b>3,282</b>	4,764
31–60 days	<b>334</b>	1,112
61–90 days	<b>36</b>	1,426
Over 90 days	<b>271</b>	63
	<u><b>3,923</b></u>	<u>7,365</u>

## 14. SHARE CAPITAL

Details of movements of share capital are as follows:

	<b>Number of shares '000</b>	<b>Amount HK\$'000</b>
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>3,800,000</u>	<u>38,000</u>
<b>Issued and fully paid:</b>		
At 1 April 2023, 31 March 2024 and 1 April 2024	767,600	7,676
Issue of shares ( <i>Note</i> )	<u>153,520</u>	<u>1,535</u>
At 31 March 2025	<u>921,120</u>	<u>9,211</u>

*Note:* The Company issued 153,520,000 ordinary shares of HK\$0.01 each to independent third parties at a subscription price of HK\$0.054 in June 2024.

## 15. COMPARATIVE FIGURES

Certain comparative financial information has been reclassified in order to conform with current period's presentation.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is principally engaged in steel and metal engineering services. The engineering services range from design, manufacture, supply to installation of steel and metal products such as roller shutters and metal doors for construction projects in Hong Kong and China. We serve customers including construction companies and engineering companies on a project-by-project basis.

During FY2025, the Group's revenue increased by 19.3% to approximately HK\$187.5 million, reflecting our commitment to fulfilling existing contracts. However, despite this revenue growth, we encountered challenges related to profitability. The margins for the current project remained relatively low, primarily due to contracts awarded during the COVID-19 period and heightened competition resulting from the recent downturn in the property market.

However, the Board remain confident of the Group's future as we believe that the Government of Hong Kong will continue strong commitment on public housing and the recovery of property market will enhance the Group's business and profitability.

## Major projects awarded and undertaken in 2025

During FY2025, the Group secured new steel and metal works contracts with aggregate contract sum of HK\$79.9 million, following set out the summary of our contract awarded during FY2025:

Project type	Number of projects	Total original contract sum <i>Approximately HK\$' million</i>
Original contract sum at or above HK\$10 million	1	36.3
Original contract sum below HK\$10 million but at or above HK\$5 million	1	6.9
Original contract sum less than HK\$5 million	23	36.7

As at 31 March 2025, the total value of contracts on hand which the performance obligation that were unsatisfied (or partially unsatisfied was) HK\$240.0 million.

## EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no significant events affecting the Group after the year ended 31 March 2025 and up to the date of this report.

## PRINCIPAL RISKS AND UNCERTAINTIES

There are certain risks involved in the Group's operations, many of which are beyond the Group's control, including but not limited to those relating to the business and the industry. Some of the major risks the Group facing include the following:

- Our revenue relies on successful quotation or tenders of engineering services projects which are not recurrent in nature, and there is no guarantee that our customers will provide us with new business or that we will secure new customers;
- Reduction or termination of public sector projects in Hong Kong may adversely affect our revenue and results of operations;
- Failure to estimate the costs involved accurately in the implementation of the project and delay in completion of the project which may adversely affect our operating results and financial position; and
- We plan to expand our capacity by acquiring equipment and expanding manpower which may result in an increase in expense and staff costs which may adversely affect our operating results and financial position.



## **FINANCIAL REVIEW**

### **Revenue**

The revenue of the Group has increased by approximately 19.3% from approximately HK\$157.2 million in FY2024 to approximately HK\$187.5 million in FY2025. Although revenue was higher compared to FY2024, many projects are experiencing relatively lower margins due to increased market competition. The recent downturn in the property market has significantly affected the construction industry, exacerbating cash flow issues for some construction companies and worsening the overall situation.

### **Direct costs**

Our direct costs primarily consist of direct material costs, direct labour costs, installation service fees, sub-contracting costs and other costs.

The Group's cost of services increased from approximately HK\$139.2 million in FY2024 to about HK\$185.0 million in FY2025, reflecting a 32.9% increase. This rise was primarily due to higher costs of construction materials and installation fees. Additionally, increased design and labor costs were incurred to address the complexity of design work and frequent changes to design and construction plans, contributing to the overall expense increase during the Reporting Period.

### **Gross profit and gross profit margin**

The gross profit of the Group decreased by approximately 85.7% from approximately HK\$18.0 million in FY2024 to approximately HK\$2.6 million in FY2025 and the gross profit margin decreased from approximately 11.4% for FY2024 to approximately 1.4% for FY2025.

The decline in gross profit margin is primarily attributed to an increase in service costs, as previously detailed, as well as a reduction in profit margins for projects undertaken by the Group during the period.

### **Other income and other gains and losses**

The Group reported an other loss of HK\$5.8 million in FY2025, in contrast to an income of HK\$0.6 million in FY2024. The primary factor contributing to the other loss and other gains and losses was the provision for expected credit losses amounting to HK\$6.7 million in FY2025 (2024: HK\$4.8 million) made for customers. This change is largely attributed to a one-off income gain of HK\$6.3 million recorded in fiscal year 2024.

### **Administrative expenses**

Administrative expenses decreased by approximately 12.5% from approximately HK\$23.0 million in FY2024 to approximately HK\$20.1 million in FY2025.

### **Income tax (expense)/credit**

The income tax expense was HK\$0.7 million in FY2025 while the Group recorded a tax credit of HK\$0.3 million in FY2024. The shift was led by the tax accrued for the profitable subsidiary in PRC during the year.

### **Loss for the year**

The Group recorded loss for the year from operations amounted to approximately HK\$24.0 million in FY2025 as compared to loss for the year for continuing operations amounted to approximately HK\$4.1 million in FY2024. The preceding commentaries cite the reasons.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at 31 March 2025, the Group had total cash and cash equivalents of approximately HK\$31.1 million (2024: HK\$63.6 million), total assets of approximately HK\$167.5 million (2024: HK\$188.4 million). The capital structure of the Company comprised share capital only. As at 31 March 2025, total equity attributable to owners of the Company amounted to approximately HK\$137.9 million (2024: HK\$160.0 million), and the Group's borrowings comprised of lease liabilities of approximately HK\$0.1 million (2024: HK\$0.4 million).

The Group's gearing ratio, calculated by dividing total borrowings by total equity, was approximately 0.06% (2024: 0.25%). The decrease in the gearing ratio during the year ended 31 March 2025 was mainly due to the full repayment of lease liabilities during the year.

## **Cash and cash equivalents**

There was a decrease in the balance of cash and cash equivalents of approximately HK\$46.5 million from approximately HK\$63.6 million as at 31 March 2024 to approximately HK\$17.1 million as at 31 March 2025.

During FY2025, the Group has a net cash outflow of approximately HK\$50.0 million in its operating activities, a net cash outflow of approximately HK\$4.8 million in its investing activities (mainly due to outflow on purchase of property, plant and equipment and renovation of the factory), and a net cash inflow of approximately HK\$7.7 million in its financing activities (mainly due to the proceeds from issue of shares under general mandate during the year).

## **CHARGE ON THE GROUP'S ASSETS**

As at 31 March 2024 and 2025, no group asset was pledged.

## **LITIGATION, CLAIMS AND NON-COMPLIANCES**

For FY2025, the Group was not engaged in any material litigation or arbitration and no material litigation or claim is known to the directors to be pending or threatened against the Group.

## **FOREIGN EXCHANGE EXPOSURE**

The Group undertakes certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly pertaining to the risk of fluctuations in the Hong Kong dollars against Renminbi.

The Group has not used any derivative contracts to hedge against its exposure to currency risk. The Group will continue to monitor foreign currency risk exposure and will consider hedging significant foreign currency risk should the need arise.

## **INTEREST RATE RISK**

The Group is exposed to interest rate risk primary to the bank facilities with floating interest rate. For both years, the Group did not have any interest rate hedging policy. However, the management will continue to closely monitor the Group's interest risk exposure and will consider hedging interest rate risk when necessary.

## CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

For FY2025, the Group has contributed approximately HK\$5.6 million in the acquisition of property, plant and equipment. The contributions are mainly for the expansion of our production capacity, of which approximately HK\$4.9 million was financed by the net proceeds from the listing (the “**Listing**”) of the shares (the “**Shares**”) of the Company on the Stock Exchange.

As at 31 March 2025, the Group did not have any expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of certain plant and equipment (2024: HK\$0.3 million).

## CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2024 and 31 March 2025.

## MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries, associates and joint venture by the Group during the year ended 31 March 2025.

## USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company has raised gross proceeds of approximately HK\$161.5 million through the global offering upon the listing (the “**Listing**”) of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). After deducting the listing expenses, the net proceeds amounted to approximately HK\$130.0 million (“**Net Proceeds**”). Such Net Proceeds are intended to be applied in the same manner and the same proportion as disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus, the below table sets out the proposed application and the status of utilisation.

As stated in the Company’s announcement dated 27 September 2024 (the “**Announcement**”), after careful consideration and detailed evaluation by the Company of the operation and business strategy, the Board has resolved to change the use of the unutilised net proceeds amounted to approximately HK\$47.7 million (the “**Unutilised Net Proceeds**”) as at the date of the Announcement.

As at 31 March 2025, details of the use of the Unutilised Net Proceeds subsequent to the change in use are as follows:

	Planned use of Net Proceeds allocation (HK\$'000)	Balance of unutilised Net Proceeds before the change in use of Net Proceeds (HK\$'000)	Revised allocation of unutilised Net Proceeds (HK\$'000)	Net Proceeds utilised as at 31 March 2025 (HK\$'000)	Balance of unutilised Net Proceeds as at 31 March 2025 (HK\$'000)	Estimated schedule (Note)
Acquiring machines to replace and enhance the Group's production capacity	51,200	21,200	26,200	23,846	2,354	On or before 31 March 2026
Expanding the Group's workforce in Hong Kong and the PRC	33,700	33,700	33,700	33,700	–	N/A
Renovation and re-design of the Group's existing production facilities	24,100	6,390	9,100	8,655	445	On or before 31 March 2026
Purchasing delivery trucks	5,000	5,000	5,000	5,000	–	N/A
Upgrading the Group's information technology system and equipment	3,500	3,500	3,500	3,500	–	N/A
Settlement of debts included in accruals trade and other payables	–	–	7,000	7,000	–	On or before 31 December 2025
For the preliminary site expenses including design costs and prepayments to sub-contractors	–	–	13,000	5,031	7,969	On or before 31 December 2025
General working capital	12,500	12,500	32,500	32,500	–	On or before 31 December 2025
	<u>130,000</u>	<u>82,290</u>	<u>130,000</u>	<u>119,232</u>	<u>10,768</u>	

*Note:* The estimated schedule for utilising the remaining proceeds is based on the best estimation made by the Group on future market condition and may change with the current market condition and future development.

The Net Proceeds utilised and the Unutilised Net Proceeds were/will be utilised according to the proposed application as specified in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the change in use of proceeds as stated in the Company's Announcement dated 27 September 2024.

As at 31 March 2025, the unutilised net proceeds were deposited in the licensed banks in Hong Kong and the PRC.

## **USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE**

As stated in the Company's announcement dated 23 May 2024 and the supplemental announcement (the "**Supplemental Announcement**") dated 5 June 2024, the Company and the placing agent entered into the placing agreements pursuant to which the Company conditionally agreed to issue up to 153,520,000 shares (the "**Placing Shares**"), and the placing agent conditionally agreed, on a best effort basis, to procure the placees to subscribe for the Placing Shares at HK\$0.054 per Placing Share (the "**Placing Price**") and on the terms and subject to the conditions set out in the placing agreement (the "**Placing**").

The Placing Shares will be allotted and issued pursuant to the general mandate and will be allotted to not less than six placees. The conditions of the Placing have been fulfilled and completion took place on 19 June 2024. All the Placing Shares have been successfully placed by the placing agent to not less than six Placees at the Placing Price pursuant to the terms and conditions of the Placing Agreement.

The net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are approximately HK\$7.8 million, which will be used for the purpose as set out in the Supplemental Announcement dated 5 June 2024. As at 31 March 2025, the net proceeds from the Placing are fully utilised.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for FY2025.

## **EMPLOYEES AND REMUNERATION POLICY**

The Group has a total of 400 employees in Hong Kong and the PRC as at 31 March 2025. The total salaries and related costs granted to employees amounted to approximately HK\$92.6 million in FY2025. The remuneration packages of employees are determined based on their qualifications, position and experience. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions.

The remuneration of the directors is decided by the Board upon the recommendation from the remuneration committee of the Company with reference to the relevant director's experience, responsibilities, workload, performance and the time devoted to the Group.

## CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Board is of the view that the Company has complied with the applicable code provisions of the CG Code during the year ended 31 March 2025 except for the following deviation from the Code Provisions:

### BOARD DIVERSITY POLICY

During the year ended 31 March 2025, the Company maintained an effective Board comprising members of diverse professional background and industry experience.

Nevertheless, the Company has a single gender Board consisting after Ms. Mak Suet Man, the former independent non-executive director’s retirement and her cessation of offices in board committees after the annual general meeting held on 30 August 2024 until the appointment of Ms. Zhao Aiyin as an independent non-executive director on 6 December 2024.

	<b>Code Provision</b>	<b>Deviation</b>	<b>Considered Reason for Deviation</b>
C.1.8	The Company should arrange appropriate insurance cover in respect of legal action against the Directors.	The Company has not arranged for appropriate insurance cover in respect of legal action against its directors for the period from 1 September 2024 to 31 March 2025.	The Company is in the course of arranging renewal of the directors and officers liability insurance with the insurance company in accordance with the requirement under the CG Code.

### CORPORATE GOVERNANCE PRACTICES

During the year, the Company complied with all applicable code provisions set out in the CG Code except for the above deviation.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the “**Model Code**”) as its own code of conduct governing securities transactions by the directors. Specific enquiries have been made to all directors and the directors have confirmed that they have complied with the Model Code during the year ended 31 March 2025.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries redeemed, purchased or sold any of the listed securities of the Company.

## **PUBLIC FLOAT**

As at the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained the prescribed public float under the Listing Rules.

## **REVIEW OF FINANCIAL STATEMENTS**

The consolidated financial statements of the Group for the year ended 31 March 2025, including the accounting principles and practices adopted by the Group, have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and audited by the auditor of the Company (the “**Auditor**”), Global Link CPA Limited (“**Global Link**”).

## **REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group’s auditors, Global Link, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Global Link in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Global Link on the preliminary announcement.



## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.hy-engineering.com](http://www.hy-engineering.com). The annual report of the Group for the year ended 31 March 2025 containing all information required by the Listing Rules will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

By order of the Board  
**Hang Yick Holdings Company Limited**  
**Deng Chaowen**  
*Chairman*

Hong Kong, 30 June 2025

*As at the date of this announcement, the Board comprises Mr. Sin Kwok Chi Stephen and Mr. Law Hok Yu as executive directors, and Mr. Deng Chaowen, Mr. Shi Jianwen, Ms. Zhao Aiyin, and Ms. Tan Yanyan as independent non-executive directors.*