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HANG YICK HOLDINGS COMPANY LIMITED

恒益控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1894)

DISCLOSEABLE TRANSACTION ADVANCE TO AN ENTITY AND PROVISION OF FINANCIAL ASSISTANCE IN RELATION TO AN AFFILIATED COMPANY

LOAN AGREEMENT

On 11 November 2019 (after trading hours), the Lender as lender, an indirect non-wholly owned subsidiary of the Company and the Borrower as borrower, a company indirectly held by the Company through the Lender as to 25%, entered into the Loan Agreement, pursuant to which the Lender has agreed to provide the Shareholder's Loan in the amount of RMB30,000,000 to the Borrower for a term of 24 months from the Advance Date.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the provision of the Shareholder's Loan exceed 5% but are all less than 25%, the provision of the Shareholder's Loan under the Loan Agreement constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the provision of the Shareholder's Loan from the Lender to the Borrower, which constitutes an affiliated company of the Company, exceeds 8% under the assets ratio (as defined under Rule 14.07 of the Listing Rules), such provision of the Shareholder's Loan also constitutes an advance to an entity by the Company under Rule 13.13 of the Listing Rules and the provision of financial assistance to an affiliated company of the Company under Rule 13.16 of the Listing Rules. This announcement is therefore also made in compliance with Rules 13.13, 13.15 and 13.16 of the Listing Rules.

LOAN AGREEMENT

On 11 November 2019 (after trading hours), the Lender as lender, an indirect non-wholly owned subsidiary of the Company and the Borrower as borrower, a company indirectly held by the Company through the Lender as to 25%, entered into the Loan Agreement, pursuant to which the Lender has agreed to provide the Shareholder's Loan in the amount of RMB30,000,000 to the Borrower for a term of 24 months from the Advance Date.

A summary of the principal terms of the Loan Agreement is set out below:

Date:	11 November 2019
Lender:	首建恒益(廣東)實業發展有限公司 (CDI Hang Yick Guangdong Development Company Limited*)
Borrower:	佛山市臻裕置業投資有限公司 (Foshan Zhenyu Real Estate Investment Company Limited*)
Principal amount of the Shareholder's Loan:	RMB30,000,000
Interest rate:	12% per annum with interest payable in arrears every 3 months
Term:	24 months commencing from the Advance Date (which shall be on a day that is within 30 days from 11 November 2019) and maturing on the Final Maturity Date
Repayment:	The Borrower shall repay the outstanding amount of the Shareholder's Loan together with any outstanding accrued interest on the Final Maturity Date.
Prepayment:	On the expiration of 18 months commencing from the Advance Date and thereafter, the Borrower may at any time prepay the Shareholder's Loan in whole or in part together with accrued interest without any penalty.

Before the expiration of 18 months commencing from the Advance Date, the Borrower may prepay the Shareholder's Loan in whole or in part together with accrued interest and provided that break costs are paid. Such break costs shall be determined by the Lender and shall equal to the amount of interest which the Lender would have received for the period from the date of receipt of any such prepayment of the Shareholder's Loan to the date falling 18 months from the Advance Date.

The amount of any partial prepayment may be in any amount.

Purpose: The Shareholder's Loan shall be applied by the Borrower as (among others) development costs in relation to a real estate development project currently undertaken by the Borrower in Foshan, the PRC.

Security: No security shall be provided by the Borrower.

INFORMATION ON THE BORROWER

The Borrower is a company established in the PRC with limited liability and is principally engaged in the real estate investment business. Currently, the Borrower is cooperating with the Economic Cooperation of Zhenan Zhongsi of Zumiao Street, Foshan City, Chancheng District* (佛山市禪城區祖廟街道鎮安中四股份合作經濟社), an Independent Third Party, to jointly participate in a real estate development project which comprises a residential and commercial complex with car parks located on the Land in Foshan, the PRC.

The Borrower is held by the Lender as to 25% and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower is held as to 70% by two individuals who are Independent Third Parties and as to 5% by a corporation whose ultimate beneficial owner is an Independent Third Party. The Borrower constitutes an affiliated company of the Company.

INFORMATION ON THE GROUP AND THE LENDER

The Group is principally engaged in the design, manufacture, supply and installation of steel and metal products for construction projects and the provision of engineering services for construction projects in the PRC.

The Lender is a company established in the PRC with limited liability and is principally engaged in sale of metal products for construction projects and the provision of investment consultancy services and construction consultancy services. The Lender is an indirect non-wholly owned subsidiary of the Company and is indirectly owned by HY China, Capital Development and CDI Shankly as to 60%, 25% and 15%, respectively.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The terms of the Loan Agreement, including the interest rate, were arrived at after negotiations on an arm's length basis between the Lender and the Borrower, and were determined with reference to the prevailing market interest rates. The Shareholder's Loan will be funded by the Group's internal resources.

The Shareholder's Loan shall be applied by the Borrower as (among others) development costs in relation to the real estate development project currently undertaken by it in Foshan, the PRC. As the Group holds a 25% indirect interest in the Borrower, the Group will benefit from any distribution of dividends by the Borrower on a pro-rata basis potentially deriving from such real estate development project, depending on the financial results of the Borrower. Furthermore, the Directors are of the view that this may lead to a potential expansion of the Group's businesses in the PRC.

Taking into account the expected interest income to be derived from the Shareholder's Loan and the factors above, the Directors consider that the entering into of the Loan Agreement and the terms thereof (including the interest rate) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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As the provision of the Shareholder's Loan from the Lender to the Borrower, which constitutes an affiliated company of the Company, exceeds 8% under the assets ratio (as defined under Rule 14.07 of the Listing Rules), such provision of the Shareholder's Loan also constitutes an advance to an entity by the Company under Rule 13.13 of the Listing Rules and the provision of financial assistance to an affiliated company of the Company under Rule 13.16 of the Listing Rules. This announcement is therefore also made in compliance with Rules 13.13, 13.15 and 13.16 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Advance Date”	the date on which the Shareholder's Loan will be advanced from the Lender to the Borrower (which shall be on a day that is within 30 days from 11 November 2019);
“Board”	the board of Directors;
“Borrower”	佛山市臻裕置業投資有限公司 (Foshan Zhenyu Real Estate Investment Company Limited*), a company established in the PRC with limited liability;
“Capital Development”	Capital Development Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Pang Ming, an executive Director;

“CDI Shankly”	CDI Shankly Capital Holdings Company Limited, a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party;
“Company”	Hang Yick Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability on 6 March 2018 and the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Final Maturity Date”	the date falling 24 months from the Advance Date;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HY China”	HY China Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company, its subsidiaries and their respective connected persons;
“Land”	a piece of land located in west of Chaoyang Road, Chancheng District, Foshan City, the PRC (Land No. 4406042018 00011) 佛山市禪城區朝陽路西則，地字號4406042018 00011號 with a gross area of approximately 5,957 square metres;
“Lender”	首建恒益(廣東)實業發展有限公司 (CDI Hang Yick Guangdong Development Company Limited*), a company established in the PRC with limited liability;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Agreement”	the loan agreement dated 11 November 2019 and entered into between the Lender and the Borrower in relation to the provision of the Shareholder’s Loan by the Lender to the Borrower;

“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shareholder’s Loan”	the shareholder’s loan in the principal amount of RMB30,000,000 to be provided by the Lender to the Borrower pursuant to the Loan Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 11 November 2019

As at the date of this announcement, the Board comprises Mr. Lee Pui Sun, Ms. Lau Lai Ching, Mr. Lee Ka Ho and Mr. Pang Ming as executive Directors, Mr. Lee Ka Chun Benny as non-executive Director, and Mr. Au Yeung Wai Key, Hon Cheung Kwok Kwan, JP and Mr. Tse Ka Ching Justin as independent non-executive Directors.

* *For identification purpose only*