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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)**

#### **ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE RESUMPTION OF TRADING**

This announcement is made by Hang Yick Holdings Company Limited (the “**Company**”) pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”) issued by the Securities and Futures Commission, Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform its shareholders (the “**Shareholders**”) and potential investors that HY Steel Company Limited (“**HY Steel**”), the controlling shareholder of the Company, entered into a memorandum of understanding (“**MOU**”) on 14 August 2020 with an independent third party (“**Potential Purchaser**”) regarding a possible sale by HY Steel to the Potential Purchaser of 570,000,000 ordinary shares in the share capital of the Company (“**Shares**”), representing approximately 74.26% of the issued share capital of the Company as at the date of this announcement (the “**Possible Share Disposal**”). As at the date of this announcement, HY Steel directly holds 570,000,000 Shares and is owned as to 70% and 30% by Mr. Lee Pui Sun (“**Mr. Lee**”) and his spouse, Ms. Lau Lai Ching (“**Ms. Lau**”), respectively. Mr. Lee is an executive Director, the chairman of the Board and a controlling shareholder of the Company, Ms. Lau is an executive Director and a controlling shareholder of the Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Potential Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## THE MOU

Pursuant to the MOU, HY Steel, Mr. Lee and Ms. Lau shall not directly or indirectly negotiate or agree with any other party relating to the Possible Share Disposal within 21 days starting from the date of the MOU ("**Exclusive Period**"). The MOU shall terminate upon (i) expiry of the Exclusive Period or (ii) execution of the formal agreement relating to the Possible Share Disposal, whichever is earlier. The MOU does not create legally binding obligations on the parties in relation to the Possible Share Disposal but is legally binding as to such terms relating to, the Exclusive Period, confidentiality and governing law.

The Possible Share Disposal is subject to the further negotiation and execution of a formal sale and purchase agreement between HY Steel and the Potential Purchaser. Save for the MOU, no formal or legally binding agreement has been entered into in respect of Possible Share Disposal as at the date of this announcement. **If the Possible Share Disposal materialises, it will lead to a change in control of the Company and a mandatory general offer under Rule 26.1 of the Takeovers Code. As at the date of this announcement, no formal agreements have been entered into in respect of the Possible Share Disposal, and the discussion is still in progress and the Possible Share Disposal may or may not proceed.**

## SECURITIES OF THE COMPANY

In compliance with Rule 3.8 of the Takeovers Code, as at the date of this announcement, the Company has a total issued share capital of 767,600,000 Shares and 16,250,000 outstanding share options. Each share option shall entitle the holder to subscribe for one Share and the outstanding share options shall entitle the holders to subscribe for an aggregate of 16,250,000 Shares upon exercise. Save for the abovementioned Shares and outstanding share options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

## MONTHLY UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Share Disposal will be made by the Company until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

## **DISCLOSURE OF DEALINGS**

For the purposes of the Takeovers Code, the offer period has commenced on the date of this announcement. The respective associates of the Company (including, among others, shareholders of the Company holding interests of 5% or more in the relevant securities of the Company) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

*“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.*

**WARNING: There is no assurance that the Possible Share Disposal will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of the Takeovers Code. Shareholders and potential investors of the Company should be aware that the Possible Share Disposal may or may not proceed. Shareholders and/or potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.**

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 13 August 2020 pending release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 17 August 2020.

By order of the Board  
**Hang Yick Holdings Company Limited**  
**Lee Ka Ho**  
*Executive Director*

Hong Kong, 14 August 2020

*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 and Mr. Zhang Chen as non-executive Directors, and Mr. Au Yeung Wai Key, Hon Cheung Kwok Kwan, JP and Mr. Tse Ka Ching Justin as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, 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.*