

25 April 2019

**High Concentration of Shareholding  
in  
Hang Yick Holdings Company Limited (Stock Code: 01894)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Hang Yick Holdings Company Limited (the “Company”) in the hands of a limited number of shareholders as at 8 April 2019.

**In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.**

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 8 April 2019, a group of 18 shareholders held an aggregate of 182,430,000 Shares, representing 23.76% of the issued Shares. Such shareholding, together with 570,000,000 Shares (representing 74.26% of the issued Shares) held by the substantial shareholder of the Company, represented 98.02% of the issued Shares as at 8 April 2019. Therefore, only 15,170,000 Shares (representing 1.98% of the issued Shares) were held by other shareholders.

As at 8 April 2019, the shareholding structure of the Company was as follows:

	<b>Number of Shares held (Shares)</b>	<b>% of total number of issued Shares (%)</b>
HY Steel Company Limited (Note 1)	570,000,000	74.26
A group of 18 shareholders	182,430,000	23.76
Other shareholders	15,170,000	1.98
Total	767,600,000	100.00

*Note 1: HY Steel Company Limited is owned as to (i) 70% by the Chairman and Executive Director of the Company, Mr. LEE Pui Sun; and (ii) 30% by the Executive Director of the Company, Ms. LAU Lai Ching. Mr. LEE Pui Sun is the spouse of Ms. LAU Lai Ching.*

The Shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 12 October 2018 by way of placing and public offer of a total of 190,000,000 Shares (representing 25.0% of the then issued share capital) at \$0.85 per share.

On the first day of listing, the Shares closed at \$0.88, which was 3.5% higher than the offer price of \$0.85. During the period from 15 October 2018 to 5 November 2018, the closing



price of the Shares closed at a range between \$0.75 and \$0.90. After that, the closing price of the Shares started to increase substantially.

On 28 November 2018, the Company announced the interim results for the six months ended 30 September 2018, reporting an adjusted profit attributable to the shareholders of the Company (excluding listing expenses) of \$25,955,000, representing an increase of 24.0% as compared to the same period in 2017.

On 21 December 2018, the Company published an announcement of a strategic cooperation framework agreement between its indirect wholly-owned subsidiary and an independent third party in relation to property investment and construction projects in the PRC.

On 17 April 2019, the Company announced a disclosable transaction in relation to, inter alia, the provision of shareholders' loans of \$40,000,000 to HY Capital Holdings Company Limited (a company owned as to 60% by a direct wholly-owned subsidiary of the Company) by its shareholders in proportion to their respective shareholding. HY Capital Holdings Company Limited was set up for the purpose of developing construction business in the PRC.

As of 24 April 2019, the Shares closed at \$3.53 which was 315.3% higher than its initial offer price of \$0.85.

**In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.**

End