

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HANG YICK HOLDINGS COMPANY LIMITED

恒益控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1894)

PROFIT WARNING

This announcement is made by Hang Yick Holdings Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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 the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited management accounts of the Group and other information of the Group currently available to the Board, the Group is expected to record a loss of not more than HK\$10 million for the six months ended 30 September 2024 as compared to a profit of approximately HK\$6.6 million for the six months ended 30 September 2023.

Such turnaround from profit to loss was mainly attributable to, including but not limited to, the following reasons:

(a) the significant increase in expected credit losses caused by the deteriorating market condition

During the six months period ending 30 September 2024, the Board acknowledge the liquidity issue and financial conditions regarding certain customers and the construction industry as a whole. Considering the recent repayment trends and the rise in payment delays, we anticipate recognising additional expected credit losses on long-aged trade receivables. This adjustment reflects the deterioration in credit risk and the uncertainty of the construction industry.

(b) the decrease in revenue and gross profit

During the six months period ending 30 September 2024, the delays in certification progress for certain ongoing projects negatively impacted the revenue during this period.

Additionally, the rising costs of materials and labor, together with the price competition continues to pose challenges on the operation which adversely affecting the gross profit margin for the six months period ending 30 September 2024.

The Company is still in the course of finalising its consolidated financial results of the Group for the six months ended 30 September 2024. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Board, which has neither been reviewed nor audited by the Company's auditors. Accordingly, the actual results of the Group for the six months ended 30 September 2024 may be different from what is disclosed in this announcement. The Group's interim results for the six months ended 30 September 2024 are expected to be published in late November 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 27 September 2024

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. Shi Jianwen and Mr. Deng Chaowen as independent non-executive directors