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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)**

## **VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE COMPLETION OF THE ACQUISITION**

This announcement is made by the Company on a voluntary basis to provide update on the business development of the Group to the Shareholders and potential investors of the Company.

References are made to the announcements of the Company dated 21 December 2018 and 17 April 2019 regarding, among other matters, (i) the Group's intention to seek business opportunities and expand its business in the PRC, (ii) potential acquisition of interest in the Target Company and (iii) the entering into of memorandums of understanding for two construction projects located in Zhejiang province, the PRC with an estimated total contract sum of approximately RMB800 million.

### **THE ACQUISITION**

On 6 May 2019, CDI Hang Yick SZ, an indirect non-wholly owned subsidiary of the Company, entered into the Equity Interests Transfer Agreements with the Target Company's Shareholders, pursuant to which, among others, CDI Hang Yick SZ agreed to purchase, and the Target Company's Shareholders agreed to sell, the entire equity interests of the Target Company, at a total cash consideration of RMB2.8 million. The Board is pleased to announce that on 29 May 2019, CDI Hang Yick SZ completed the Acquisition from the Target Company's Shareholders and all the conditions precedent for the Acquisition have been fulfilled, following the completion of registration procedures with the relevant administration of industry and commerce in the PRC. Following the completion of the Acquisition, the Target Company becomes an indirect non-wholly owned subsidiary of the Company and, its financial results will be consolidated into the financial statements of the Group.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a limited liability company established in the PRC. It holds the following licences for construction services business in the PRC:

- Safety production licence (安全生產許可證) for construction works; and
- Construction industry enterprise certificate (建築業企業資質證書) for (i) main contractor of construction works (建築工程施工總承包) level two and (ii) main contractor of municipal public construction works (市政公用工程施工總承包) level three.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Target Company's Shareholders are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is a steel and metal engineering company, specialising in design, manufacture, supply and installation of steel and metal products for construction projects in Hong Kong. The Group intends to seek business opportunities and expand its business in the PRC.

The Directors believe the Acquisition of the Target Company holding the aforesaid licences for construction services business will (i) enable the Group to obtain contracts for construction projects, including the two aforesaid construction projects located in Zhejiang province, the PRC, and (ii) provide a strong foothold for the Group to develop construction business in the PRC, thus expand its business in the PRC and further broaden its source of income. In view of the above, the Directors consider that the Acquisition is in the interests of the Group and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios in respect of the Acquisition is below 5%, the Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Acquisition”	the acquisition of the entire equity interests in the Target Company from the Target Company’s Shareholders by CDI Hang Yick SZ pursuant to the Equity Interests Transfer Agreements
“Board”	the board of Directors
“CDI Hang Yick SZ”	首建恒益（深圳）建築控股有限公司（CDI Hang Yick Construction Holdings Co. Ltd. SZ.*), a limited liability company established on 19 March 2019 in the PRC and an indirect non-wholly owned subsidiary of the Company
“Company”	Hang Yick Holdings Company Limited (Stock Code: 1894), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Equity Interests Transfer Agreements”	the equity interests transfer agreements entered into between CDI Hang Yick SZ and the Target Company’s Shareholders dated 6 May 2019
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	a limited liability company established in the PRC and an Independent Third Party
“Target Company’s Shareholders”	the shareholders of the Target Company, who collectively own the entire equity interests in the Target Company and are Independent Third Parties
“%”	per cent.

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

Hong Kong, 31 May 2019

*As at the date of this announcement, the Board comprises Mr. Lee Pui Sun and Ms. Lau Lai Ching 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 purposes only*