

【For immediate release】

Hang Yick Holdings Company Limited
恒益控股有限公司

**Hang Yick Holdings (1894.HK) Announces Proposed Listing
on the Main Board of HKEx on 12 October 2018**

(Hong Kong, 27 September 2018)—**Hang Yick Holdings Company Limited** (“the Company”, together with its subsidiaries collectively known as “the Group”) (Stock Code: 1894.HK) today announces its plan to list on the Main Board of the Hong Kong Stock Exchange (“HKEx”) on 12 October 2018, Friday.

The Group plans to offer an aggregate of 190,000,000 shares (subject to the Over-allotment Option), of which 19,000,000 shares are Hong Kong Offer shares (subject to reallocation) and 171,000,000 shares are International Placing Shares (subject to reallocation and the Over-allotment Option), at an offer price range from HK\$0.80 to HK\$0.90 per share. The Hong Kong public offering will open on 28 September 2018, Friday, and close at 12:00 noon on 4 October 2018, Thursday. Dealings in shares on the HKEx are expected to commence at 9:00 a.m. on 12 October 2018, Friday, with the stock code 1894 in board lots of 5,000 shares each.

Sole sponsor of the listing is Fortune Financial Capital Limited. Joint global coordinators, joint bookrunners and joint lead managers are China Industrial Securities International Capital Limited, Fortune (HK) Securities Limited and Promising Securities Company Limited.

Mr. Lee Pui Sun, Chairman, CEO and Executive Director of the Group said, “The listing on the HKEx marks an important milestone for the Group, allowing us to gain more competitiveness and to remain our leading position in the steel and metal engineering industry. With our increased company profile, strengthened financial capabilities and competitive strengths, we believe that our Group will be able to undertake larger-scale projects and obtain positive business development in the future.”

The Group is a leading and well-established steel and metal engineering company, specializing in design, manufacture, supply and installation of steel and metal products for construction projects in Hong Kong. Apart from provision of steel and metal engineering services, the Group also sells steel and metal products, including metal gates, collapsible gates, fire-insulated shutters, sliding shutters, rolling shutters and metal doors. According to an independent industry report issued by Frost & Sullivan Report (“Frost & Sullivan Report”), in 2017, the Group was the largest steel and metal engineering company in overall public sector in Hong Kong in terms of revenue with a market share of approximately 31.9% and ranked third in the overall steel and metal works engineering service market in Hong Kong in terms of revenue with an estimated market share of approximately 8.6%.

The Group has the following competitive strengths:

The Group is a leading steel and metal engineering company in Hong Kong with long operating history and proven track record.

With an operating history of over 25 years in Hong Kong since Hang Yick was incorporated in Hong Kong in January 1993, the Group has accumulated extensive experience in engineering services of metal and steel works. Furthermore, the Group

is capable of undertaking the projects with a wide range of buildings and facilities types, including residential, commercial buildings and various facilities for construction projects in Hong Kong. Also, the Group has maintained stable and long-term business relationships with most of the major customers which included well-known construction contractors in Hong Kong.

The Group is capable to provide vertically integrated engineering services in relation to steel and metal works to the customers.

The Group is committed to providing products and services of consistent quality to the customers. With the ability to manufacture steel and metal products at the its own production facilities, the Group can guarantee its product quality, achieve cost competitiveness and offer competitive prices for its engineering services and sales of products. Furthermore, its comprehensive engineering capacity enables the Group to reduce operational risks and capture business opportunities. As a result, the Group is able to provide one-stop services to the customers with lower operational risks, higher efficiency and more competitive prices.

The Group has maintained stable and long-term relationships with the suppliers.

The Group's Directors believe that they have built up reputation in the industry which helps it in developing a stable network of quality suppliers. Over the years, the Group has maintained a good relationship with a list of suppliers which enables the Group to have more flexibility in negotiating prices, resources allocation and project execution compared with competitors. The close relationship also enables the Group to procure the necessary services and supplies when it requires them, reducing the risk of shortage or delay in delivery of materials or services causing material disruption to their works. The Group's Directors consider that partnering with these suppliers is one of the key success factors for them to deliver timely and high-quality services to the customers.

The Group has an experienced and dedicated management team and direct workforce.

The Group's management team has extensive experience and technical knowledge in the steel and metal works industry in Hong Kong, which is led by Lee Pui Sun, chairman, chief executive officer and executive director with more than 35 years in the industry. Other members of the management team possess expertise and relevant qualifications on project management, who also contributed to the Group's success. The experience of the Group's management team facilitates the formulation of competitive tenders, which are essential in securing new business opportunities, and in carrying out efficient and timely execution and management of the projects. The Group believes that attributed to the experience and technical skills of its executive directors and members of its management team, as well as direct workforce, the Group is able to maintain competitiveness and is well-positioned in competing for and securing the contracts in the future.

The Group commits to maintaining safety standard, quality control and environmental protection.

The Group places considerable emphasis to maintain safety standard and quality control as they can directly affect its reputation, service quality and profitability. The safety standard and quality control are also among the customers' key assessment criteria in selecting engineering service providers. The Group's efforts in up-keeping the safe working environment is well-recognized as demonstrated by various awards it has received for its quality and safety and environmental compliance management over the years. Its production facilities are located in Huizhou, the PRC which is certified to be in accordance with the standard required under ISO 9001:2015 (production and service of steel gate, iron gate, volume gate, al-alloy door & window, all kinds of stents, hardware door lock etc.) and ISO 14001:2015 (environmental management). Also, Huizhou Hengyi obtained AEO Certification in December 2015 which is a top accreditation. The Group's Directors believe that their effective occupational health, safety and environment management systems as well as good compliance track record would help to reduce their exposure to these claims and

improve their overall service quality and profitability.

Offering Statistics

Listing Venue	The Main Board of the Stock Exchange of Hong Kong
Stock Code	1894
Offer Structure	90% International Placing 10% Hong Kong Offering
Offer Price per Share	HK\$0.80 – HK\$0.90
Board Lot Size	5,000 shares

The aggregate net proceeds from the Global Offering (after deducting underwriting fees and estimated expenses in connection with the Global Offering and assuming an Offer Price of HK\$0.85 per Share, being the mid-point of the indicative Offer Price range of HK\$0.80 to HK\$0.90 per Share, and assuming the Over-allotment Option is not exercised) will be approximately HK\$130.5 million.

The Group intends to apply the net proceeds from the Global Offering as follows:

- approximately HK\$51.2 million, representing approximately 39.2% of the net proceeds, will be used for acquiring machines to replace and enhance its production capacity;
- approximately HK\$33.7 million, representing approximately 25.8% of the net proceeds, will be used for expanding its workforce in Hong Kong and the PRC;
- approximately HK\$24.1 million, representing approximately 18.5% of the net proceeds, will be used for renovation and re-design of its existing production facilities;
- approximately HK\$5.0 million, representing approximately 3.8% of the net proceeds, will be used for purchasing delivery trucks;
- approximately HK\$3.5 million, representing approximately 2.7% of the net proceeds, will be used for upgrading its information technology system and equipment; and
- approximately HK\$13.0 million, representing approximately 10.0% of the net proceeds, will be used as general working capital.

Financial Information Summary

	<i>HK\$'000</i> Year ended 31 March		
	2016	2017	2018
Revenue	122,698	161,483	199,199
Gross profit	40,092	53,771	74,359
Profit before taxation	35,431	46,488	62,534
Profit for the year	29,406	38,093	52,224

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About Hang Yick Holdings Company Limited (Stock Code: 1894.HK)

The Group is a leading steel and metal engineering company in Hong Kong, specializing in design, manufacture, supply and installation of steel and metal products for construction projects in Hong Kong. The Group has been operating for over 25 years. According to the Frost & Sullivan Report, in 2017, the Group was the largest steel and metal engineering company in overall public sector in Hong Kong in terms of revenue with a market share of approximately 31.9% and ranked third in the overall steel and metal works engineering service market in Hong Kong in terms of revenue with an estimated market share of approximately 8.6%. Apart from provision of steel and metal engineering services, the Group also sells steel and metal products, including metal gates, collapsible gates, fire-insulated shutters, sliding shutters, rolling shutters and metal doors, to the customers based on their requirements and specifications.

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