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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)

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 its preliminary review of the unaudited management accounts and the information of the Group currently available to the Board, the Group is expected to record a loss of not less than approximately HK\$20 million for the year ended 31 March 2025 (the “**Year 2025**”) as compared to a loss of approximately HK\$4.1 million for the year ended 31 March 2024.

The Board considers that the increase in loss position 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 year ended 31 March 2025, 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 gross profit

During the year ended 31 March 2025, the reduction in profit margins for new tender projects, together with the price competition continues to post challenges on the operation which adversely affecting the gross profit margin during the year.

Additionally, the rising costs of construction materials, installation fees, and design and labor costs were additionally incurred to address the complexity of design work and frequent changes to design and construction plans, contributing to the decrease of gross profit margin during the year.

The Company is still in the course of finalising its consolidated financial results of the Group for the Year 2025. 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 Year 2025 may be different from what is disclosed in this announcement. The Group's audited results for the Year 2025 are expected to be published on 30 June 2025.

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, 26 June 2025

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. Deng Chaowen, Mr. Shi Jianwen, Mr. Chan Man Kit, Ms. Zhao Aiyin, and Ms. Tan Yanyan as independent non-executive directors.