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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)**

#### **(I) SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE INVESTIGATION;**

#### **(II) APPOINTMENT OF INTERIM CHAIRMAN; AND**

#### **(III) ESTABLISHMENT OF SPECIAL INVESTIGATION COMMITTEE**

Reference is made to the announcement of Hang Yick Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 22 April 2021 in relation to the investigation by an enforcement authority which attended the office premises of the Group in Hong Kong with search warrants (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

#### **SUPPLEMENTAL INFORMATION**

The Board noted several major media outlets have reported that the Company’s three executive Directors, namely Mr. Lee Pui Sun, Ms. Lau Lai Ching and Mr. Lee Ka Ho (collectively, the “**Involved Directors**”) have been arrested for market misconduct and fraud by the Securities and Futures Commission (the “**SFC**”) and the police. They are alleged to have conspired to use bogus transactions to embezzle funds of the Company involving over HK\$19 million.

The Board would like to supplement that the Investigation is conducted by the SFC and the Commercial Crime Bureau of the Hong Kong Police Force (the “**CCB**”, together with the SFC, the “**Authorities**”), which is related to an investigation under the SFO. The Involved Directors were arrested on 22 April 2021 and were released on police bail on 23 April 2021.

As at the date of this announcement, to the best of the Directors' knowledge, the Investigation is still ongoing and no formal charge has been made against the Involved Directors, and there have been no other details released by the Authorities. The Company is seeking legal advice in relation to the Investigation and will closely monitor this matter and proactively assist the Authorities with the Investigation, if required. As at the date of this announcement, the Board is not aware of any material adverse impact on the Group's business as a result of the Investigation and operations of the Group remain normal.

In view of the involvement of the Involved Directors in the Investigation, notwithstanding that the Involved Directors are not prevented from carrying out their duties as executive Directors, in order to maintain the functionality of the Board, at the request of the Involved Directors, each of them will be voluntarily suspended from their positions, functions and duties as executive Directors, and Mr. Lee Pui Sun will also be suspended from his function as Chairman of the Board and Chairman of the nomination committee of the Company with effect from 5 May 2021 pending the outcome of the Investigation and until further notice. The Board will appoint at least one additional executive Director as soon as practicable to oversee the management and daily operation of the Group, subject to the approval of the nomination committee of the Company.

Further announcement(s) will be made as and when appropriate if there is any material development regarding the Investigation, as well as the appointment of executive Director(s).

#### **APPOINTMENT OF INTERIM CHAIRMAN**

Mr. Lee Ka Chun Benny ("**Mr. KC Lee**"), the non-executive Director, will be appointed as Interim Chairman of the Board with effect from 5 May 2021 and temporarily take over the duties of Mr. Lee Pui Sun as Chairman of the Board. The biographical details of Mr. KC Lee are set out below:

Mr. KC Lee, aged 34, was appointed as a non-executive Director of the Company on 14 May 2018. Mr. KC Lee is also a director of Hang Yick Gate Engineering Limited, a wholly-owned subsidiary of the Company. He is primarily responsible for providing strategic advices to the Group. Mr. KC Lee has years of experience in accounting, and was admitted as member of CPA Australia in November 2016. He obtained a bachelor's degree of commerce, major in accounting from the University of Adelaide in Australia in December 2008, and a master's degree in management from the University of South Australia in August 2010. Mr. KC Lee is the son of Mr. Lee Pui Sun and Ms. Lau Lai Ching, and the brother of Mr. Lee Ka Ho, all being executive Directors.

Save as disclosed above, as at the date of this announcement, Mr. KC Lee (i) does not hold any other positions with the Company or other members of the Group; (ii) did not hold any directorships in the last three years in other listed public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any other relationships with any Directors, senior management, substantial or controlling shareholders of the Company; and (iv) does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

## **ESTABLISHMENT OF SPECIAL INVESTIGATION COMMITTEE**

In view of the Investigation, the Board has also established a special investigation committee (the “SIC”) comprising of the three independent non-executive Directors, namely Mr. Au Yeung Wai Key, Mr. Tse Ka Ching Justin and Mr. Cheung Chun Man Anthony. The scope of duties of the SIC will include, among other matters, (i) investigating the alleged misconduct of the Involved Directors; (ii) looking into the cash and/or financial position of the Group and reviewing the financial position of the Group; (iii) reviewing the existing internal control system of the Group and to develop measures to enhance the corporate governance of the Group, if necessary; (iv) obtaining outside legal or other independent professional advice, if necessary; (v) reporting its findings on the Investigation to the Board; and (vi) making necessary recommendations to the Board and to request the Board to take all appropriate remedial actions based on the findings of the Investigation.

The Board will also appoint an independent adviser to conduct an independent investigation on the incidents leading to the Investigation and to assess and advise on the impact of the Investigation.

## **SUSPENSION OF TRADING OF THE SHARES**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 22 April 2021 and shall remain halted until further notice. The Company will publish further announcement(s) to keep the Company’s shareholders and potential investors informed of the update on the business and operation of the Group and also the status and development of the Investigation.

**In the meantime, shareholders and potential investors of the Company are advised to exercise caution when dealing in shares of the Company.**

By order of the Board  
**Hang Yick Holdings Company Limited**  
**Lee Ka Chun Benny**  
*Interim Chairman*

Hong Kong, 5 May 2021

*As at the date of this announcement, the Board comprises Mr. Lee Pui Sun, Ms. Lau Lai Ching and Mr. Lee Ka Ho as executive Directors, Mr. Lee Ka Chun Benny as non-executive Director, and Mr. Au Yeung Wai Key, Mr. Tse Ka Ching Justin and Mr. Cheung Chun Man Anthony as independent non-executive Directors. As at the date of this announcement, the duties of the executive Directors of the Company namely Mr. Lee Pui Sun, Ms. Lau Lai Ching and Mr. Lee Ka Ho are suspended.*