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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)

CHANGE OF AUDITORS

This announcement is made by Hang Yick Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

RESIGNATION OF AUDITORS

The board (the “**Board**”) of directors (the “**Directors**”) announces that it has received a letter from Elite Partners CPA Limited (“**Elite Partners**”) dated 8 December 2022 resigning as the auditors of the Group with effect from 8 December 2022.

As stated in their resignation letter, their resignation was due to the fact that they could not reach a consensus with the Company on the additional fee for completing their audit of the Group for the two years ended 31 March 2022. The major outstanding issues cited include, firstly, the forensic report issued by the forensic accountant on the alleged bogus transactions in connection with the embezzlement of funds of the Company (the “**Alleged Bogus Transactions**”) and the substantial prepayments, deposits and advances transactions (the “**PPDA Transactions**”) did not reasonably and adequately address (i) the business rationale and commercial substance of these transactions; (ii) the completeness and accuracy of the underlying documents; (iii) the appropriateness of the disclosure of these transactions; and (iv) recoverability of these transactions. Secondly, their observation and inquiry during the audit and the forensic report findings were insufficient to demonstrate that there was no concern about management integrity. Regarding the Company’s announcements and lack of corporate actions during the audit, there was no claim by the Company against the former directors under concern. These breaches were the non-compliance with the procurement process policy, approving and allowing the payments in respect of the Alleged Bogus Transactions and the PPDA Transactions and the failure to take appropriate steps to recover the same promptly. Lastly, they had not received the signed internal control report, the People’s Republic of China legal opinion on social welfare and audit confirmations, including bank confirmations, trade and other receivables and trade and other payables.

Elite Partners has confirmed that, except for the matters as described above, there was no matter that they considered should be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

APPOINTMENT OF AUDITORS

The Board further announces that it has resolved, as recommended by the Audit Committee and subject to the completion of the internal clearance procedures of the new auditor, to appoint RSM Hong Kong (“**RSM**”) as the auditors of the Group to fill the casual vacancy arising from the resignation of Elite Partners and to hold office until the conclusion of the next annual general meeting of the Company. Upon completion of the internal clearance procedures of RSM, the Company will formally engage RSM as the new auditors of the Group and make a further announcement in this regard as and when appropriate.

The Board and the Audit Committee are of the view that the change of auditors is in the interest of the Company and the Shareholders as a whole. The Board confirms that as at the date of this announcement, save as disclosed herein, there are no other matters in respect of the change of auditors that need to be brought to the attention of the Shareholders.

By order of the Board
Hang Yick Holdings Company Limited
Sin Kwok Chi Stephen
Chairman

Hong Kong, 9 December 2022

As at the date of this announcement, the Board comprises Mr. Sin Kwok Chi Stephen as executive Director, and Mr. Au Yeung Wai Key, Mr. Cheung Chun Man Anthony and Mr. Tse Ka Ching Justin as independent non-executive Directors.