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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)**

#### **UPDATE ON THE INTERIM RESULTS ANNOUNCEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021 AND 30 SEPTEMBER 2022**

References are made to the announcements (the “Interim Results Announcements”) of the interim results for the six months ended 30 September 2021 (“HY2021”) and 30 September 2022 (“HY2022”) of Hang Yick Holdings Company Limited (the “Company”, together with its subsidiaries, the “Group”) dated 21 October 2022 and 30 November 2022 respectively. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Interim Results Announcements.

#### **UPDATE ON THE INTERIM RESULTS FOR HY2021 AND HY2022**

The Board would like to update the Shareholders that RSM Hong Kong (“RSM”), the Company’s auditor appointed with effect from 15 December 2022, has completed the audit of the Group’s results for the two years ended 31 March 2021 and 31 March 2022 (the “Audited Results”) which were published on 31 January 2023. The Audited Results have impacted certain items on the interim results figures for HY2021 and HY2022 which have been reflected and updated in the interim reports for the corresponding periods. The major variances are highlighted below:

## MAJOR VARIANCES BETWEEN INTERIM REPORT AND INTERIM RESULTS ANNOUNCEMENT FOR HY2021

Listed out below are the variances between the interim report and interim results announcement for HY2021:

	<b>HY2021 Interim Report</b> <i>HK\$'000</i>	<b>HY2021 Interim Results (announced)</b> <i>HK\$'000</i>	<b>Variance</b> <i>HK\$'000</i>	<i>Note</i>
<b>RESULTS</b>				
Revenue	109,666	109,666		
Cost of sales	<u>(82,242)</u>	<u>(82,242)</u>		
Gross profit	27,424	27,424		
Other income and other gains and losses	3,286	859	2,427	1
Other expenses, net	<u>(16,445)</u>	<u>(16,247)</u>	198	2
Profit for the period	14,265	12,036		
<b>ASSETS AND LIABILITIES</b>				
Total assets	188,173	212,697	(24,524)	3
Total liabilities	<u>32,881</u>	<u>27,448</u>	5,433	4
Total equity	<u><u>155,292</u></u>	<u><u>185,249</u></u>		

*Notes:*

- 1) The difference mainly arose in the other gains and losses from recovery from Incident Transactions during the period.
- 2) The difference mainly arose from the increase in income tax expenses for the period.
- 3) The difference mainly arose from the aggregate effect of:
  - (i) the allowances for Transaction 6 of approximately RMB11,500,000 (equivalents to HK\$13,892,000). The Board did not make such provision in the interim results announcement for HY2021 as the Group was in primary discussion regarding the refund of deposits while it was unlikely for the Group to recover the entire amount and the Board considered it is more appropriate to make provision in full as at the year ended 31 March 2021. After the provision of such allowance during the year ended 31 March 2021, the interim report for HY2021 has adjusted the provision in the statement of financial position accordingly;

- (ii) the increase in allowances for Transaction 3 and 7 of approximately HK\$6,372,000 which was not provided in the interim results announcement for HY2021. The Board considered that further provision is required as the recoverability of such balances was remote as at 31 March 2021 and the subsequent re-payment should have been recorded to profit or loss in subsequent financial years. After the provision of such allowance during the year ended 31 March 2021, the interim report for HY2021 has adjusted the provision in the statement of financial position accordingly; and
- (iii) the decrease in recognized deferred tax assets of approximately HK\$3,525,000 for the year ended 31 March 2021.
- 4) The difference mainly arose from the aggregate effect of:
- (i) the increase in accrual regarding the auditor's remuneration to RSM for the services provided for the year ended 31 March 2021; and
- (ii) the increase in staff cost accrued for the PRC factory.

## MAJOR VARIANCES BETWEEN INTERIM REPORT AND INTERIM RESULTS ANNOUNCEMENT FOR HY2022

Listed out below are the variances between the interim report and interim results announcement for HY2022:

	<b>HY2022 Interim Report</b> <i>HK\$'000</i>	<b>HY2022 Interim Results (announced)</b> <i>HK\$'000</i>	<b>Variance</b> <i>HK\$'000</i>	<i>Note</i>
<b>RESULTS</b>				
Revenue	111,401	111,401		
Cost of sales	<u>(94,952)</u>	<u>(94,952)</u>		
Gross profit	16,449	16,449		
Other income and other gains and losses	3,175	3,175		
Other expenses, net	<u>(13,540)</u>	<u>(13,540)</u>		
Profit for the period	6,084	6,084		
<b>ASSETS AND LIABILITIES</b>				
Total assets	193,266	209,276	(16,010)	1
Total liabilities	<u>28,177</u>	<u>20,367</u>	7,810	2
Total equity	<u><u>165,089</u></u>	<u><u>188,909</u></u>		

*Notes:*

- 1) The difference mainly arose from the aggregate effect of:
  - (i) the allowances for Transaction 6 of approximately RMB11,500,000 (equivalent to HK\$12,684,500). The Board did not make such provision in the interim results announcement for HY2022 as the Group was in primary discussion regarding the refund of deposits while it was unlikely for the Group to recover the entire amount and the Board considered it is more appropriate to make provision in full as at the year ended 31 March 2021. After the provision of such allowance during the year ended 31 March 2021, the interim report for HY2022 has adjusted the provision in the statement of financial position accordingly; and
  - (ii) the increase in allowances for Transaction 3 and 7 of approximately HK\$6,372,000 which was not provided in the interim results announcement for HY2022. The Board considered that further provision is required as the recoverability of such balances was remote as at 31 March 2021 and the subsequent re-payment should have been recorded to profit or loss in subsequent financial years. After the provision of such allowance during the year ended 31 March 2021, the interim report for HY2022 has adjusted the provision in the statement of financial position accordingly.
- 2) The difference mainly arose from the aggregate effect of:
  - (i) the increase in accrual regarding the auditor's remuneration to RSM for the services provided for the years ended 31 March 2021 and 31 March 2022; and
  - (ii) the increase in staff cost accrued for the PRC factory.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the Shares 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. In the meantime, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board  
**Hang Yick Holdings Company Limited**  
**Leung Fuk Shun**  
*Chairman*

Hong Kong, 10 March 2023

*As at the date of this announcement, the Board comprises Mr. Sin Kwok Chi, Stephen, and Mr. Ho Chi Yuen as executive Directors, and Mr. Leung Fuk Shun, Mr. Law Chi Hung, Mr. Cheung Chun Man Anthony and Mr. Tse Ka Ching Justin as independent non-executive Directors.*