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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

The board (the “**Board**”) of directors (the “**Directors**”) of Hang Yick Holdings Company Limited (the “**Company**”) announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2026 (“**FY2026**”), together with the comparative figures for the year ended 31 March 2025 (“**FY2025**”) as follows.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2026

	<i>Notes</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
Revenue	4	178,218	187,517
Direct costs		<u>(175,002)</u>	<u>(184,946)</u>
Gross profit		3,216	2,571
Other income and other gains and losses	6	(5,381)	(5,778)
Administrative expenses		<u>(26,152)</u>	<u>(20,102)</u>
Loss from operations		(28,317)	(23,309)
Finance costs	7	<u>(449)</u>	<u>(10)</u>
Loss before taxation	8	(28,766)	(23,319)
Income tax expenses	9	<u>(136)</u>	<u>(693)</u>
Loss for the year attributable to owners of the Company		<u>(28,902)</u>	<u>(24,012)</u>
Other comprehensive (expenses)/income for the year, net of tax			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>(79)</u>	<u>510</u>
Total comprehensive expenses for the year attributable to owners of the Company		<u>(28,981)</u>	<u>(23,502)</u>
			(Restated)
Loss per share	<i>11</i>		
Basic and diluted		<u>(0.60)</u>	<u>(0.53)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	<i>Notes</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		19,938	20,943
Right-of-use assets		4,117	2,790
Financial asset at fair value through profit or loss		6,047	5,826
Deferred tax assets		–	82
		30,102	29,641
Current assets			
Inventories		31,520	26,010
Trade receivables	<i>12</i>	9,589	23,182
Other receivables, deposits and prepayments		3,922	8,632
Contract assets		44,139	48,937
Structured bank deposits		–	13,974
Cash and bank balances		116,466	17,116
		205,636	137,851
Current liabilities			
Trade and other payables and accruals	<i>13</i>	32,938	20,469
Contract liabilities		526	149
Lease liabilities		558	81
		34,022	20,699
Net current assets		171,614	117,152
Total assets less current liabilities		201,716	146,793

	<i>Note</i>	2026 HK\$'000	2025 <i>HK\$'000</i>
Non-current liabilities			
Provisions		3,295	2,285
Lease liabilities		886	–
		<u>4,181</u>	<u>2,285</u>
NET ASSETS		<u>197,535</u>	<u>144,508</u>
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	<i>14</i>	46,056	9,211
Reserves		151,479	135,297
		<u>197,535</u>	<u>144,508</u>
TOTAL EQUITY		<u>197,535</u>	<u>144,508</u>

NOTES:

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 6 March 2018 and its shares have been listed on Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company acts as an investment holding company. The principal activities of its subsidiaries are mainly provision of steel and metal engineering services and sales of steel and metal products.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and HK (IFRIC) Interpretations, HK Interpretations and HK (SIC) Interpretations (collectively referred to as “**Interpretations**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Company and its subsidiaries (collectively referred to as the “**Group**”) are disclosed below.

3. APPLICATION OF NEW AND REVISED TO HKFRS ACCOUNTING STANDARDS

Except as described below, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 March 2026 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2025.

In the current year, the Group has applied, for the first time, the following amendments to a HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 1 March 2025:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKAS 21 in the current year has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined.

Except as described below, the Directors anticipate that the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

Impact on application of HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

4. REVENUE

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines for the year is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
<i>Disaggregated by major products or service lines</i>		
Provision of steel and metal engineering services	173,156	176,476
Sales of steel and metal products	5,062	11,041
	<u>178,218</u>	<u>187,517</u>

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major products or service lines:

Timing of revenue recognition	Provision of steel and metal engineering services		Sales of steel and metal products		Total	
	2026	2025	2026	2025	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Products transferred at a point in time	–	–	5,062	11,041	5,062	11,041
Products and services transferred over time	173,156	176,476	–	–	173,156	176,476
	<u>173,156</u>	<u>176,476</u>	<u>5,062</u>	<u>11,041</u>	<u>178,218</u>	<u>187,517</u>

The customers of the Group are mainly construction companies, contractors and engineering companies in Hong Kong. All of the Group's provision of steel and metal engineering services and sales of steel and metal products are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

(b) Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Provision of steel and metal engineering services	<u>266,564</u>	<u>239,991</u>

Based on the information available to the Group at the end of the reporting period, the directors of the Company expect the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts in respect of provision of steel and metal engineering services as of 31 March 2026 will be recognised as revenue during the years ending 31 March 2027 to 2030 (2025: 31 March 2026 to 2029).

5. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the chief operating decision makers, have been identified as the executive directors of the Company, review the segment results of the Group. In the current year, the Group's operations in relation to provision of steel and metal engineering services and sales of steel and metal products which were presented as separate reportable segments in the prior years are considered as a single operating segment in a manner consistent with the way in which information is reported internally to the Board for the purpose of resource allocation and performance assessment. Accordingly, the information of these operations has been aggregated into a single reportable segment and no segment analysis is presented other than entity-wide disclosures.

Entity-wide disclosures:

Geographical information

The Group's revenue is derived from Hong Kong and the People's Republic of China (the "PRC") based on the location of goods delivered and services provided as follows:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	178,218	187,517
The PRC	<u>—</u>	<u>—</u>
	<u>178,218</u>	<u>187,517</u>

The Group's non-current assets (other than financial assets and deferred tax assets) are located in Hong Kong and the PRC by physical location of assets as follows:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	4,480	3,763
The PRC	19,575	19,970
	<u>24,055</u>	<u>23,733</u>

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	91,645	77,057
Customer B	36,594	53,022
Customer C	18,033	N/A*
	<u>18,033</u>	<u>180,101</u>

* Revenue from the customer is less than 10% of the Group's total revenue in the respective year.

6. OTHER INCOME AND OTHER GAINS AND LOSSES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Other income		
Interest income from bank deposits	192	803
Sales of scrape material(s)	384	32
Others	—	43
	<u>576</u>	<u>878</u>
Other gains and losses		
Impairment loss under expected credit loss model on trade receivables and contract assets, net	(7,497)	(6,771)
Fair value gain on financial asset at fair value through profit or loss	221	123
Net foreign exchange gain/(losses)	1,381	(59)
Gain on disposal of property, plant and equipment	7	47
Others	(69)	4
	<u>5,957</u>	<u>(6,656)</u>
	<u>(5,381)</u>	<u>(5,778)</u>

7. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest on lease liabilities	<u>134</u>	<u>10</u>

8. LOSS BEFORE TAXATION

Loss before taxation for the year has been arrived at after charging/(crediting):

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Auditor's remuneration	800	700
Depreciation of property, plant and equipment	3,041	3,878
Depreciation of right-of-use assets	538	477
Cost of inventories recognised as an expense	66,461	75,777
Gain on disposal of property, plant and equipment	(7)	(47)
Employee benefits expenses inclusive of directors' emoluments:		
Directors' emoluments	1,673	1,785
Other staff costs:		
Salaries, wages and other benefits	93,796	87,771
Retirement benefits scheme contributions*	5,808	4,833
	<u>99,604</u>	<u>92,604</u>

Cost of inventories recognised as an expense for the year ended 31 March 2026 includes approximately HK\$23,165,000 (2025: HK\$22,396,000) relating to staff costs and depreciation of property, plant and equipment, which are included in the amount disclosed separately above for each of these types of expenses.

* There are no forfeited contributions that may be used by the Group, as the employer, to reduce the existing level of contributions.

9. INCOME TAX EXPENSE/(CREDIT)

Income tax expense/(credit) has been recognised in profit or loss as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	–	–
The PRC Enterprise Income Tax (“EIT”)	<u>54</u>	<u>336</u>
	54	336
Deferred tax:		
Origination and reversal of temporary differences	<u>82</u>	<u>357</u>
	<u>136</u>	<u>693</u>

Under the two-tiered Profits Tax regime, the first HK\$2,000,000 of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5%.

The Company’s subsidiaries in the PRC are subject to EIT rate at 25%.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

According to the PRC EIT law, withholding income tax at a rate of 10% would be imposed on dividends relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such dividend tax rate may be further reduced by applicable tax treaties or arrangement. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate on dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is further reduced to 5% if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise.

10. DIVIDENDS

The directors of the Company did not recommend payment of any final dividend for the year ended 31 March 2026 (2025: Nil).

11. LOSS PER SHARE

The weighted average number of ordinary shares of approximately 48,180,000 (2025: approximately 45,469,000 (restated)) in issue during the year ended 31 March 2026, as adjusted to reflect the effect of the rights issue and share consolidation as disclosed in Note 14. Comparative figures have also been restated as adjusted to reflect the rights issue and share consolidation during the year.

The calculation of basic and diluted loss per share is based on the following:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Losses:		
Losses for the purpose of calculating basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u>(28,902)</u>	<u>(24,012)</u>
	2026 <i>'000</i>	2025 <i>'000</i> (Restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>48,180</u>	<u>45,469</u>

Note:

There were no adjustments for the effects of potential ordinary shares arising from outstanding share options for the year ended 31 March 2026 and 2025 as no share options outstanding as at 31 March 2026 and 2025.

12. TRADE RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables	16,391	28,415
Less: Allowance for credit losses	<u>(6,802)</u>	<u>(5,233)</u>
	<u>9,589</u>	<u>23,182</u>

For customers that the Group provides engineering services on steel and metal works, the Group normally grants credit terms of 30 days from the date of certificate on progress payments of contract works. For customers that the Group sells metal and steel products, except for certain major customers of which the Group grants a credit period of up to 60 days from the delivery of goods, the Group grants no credit terms to other customers and they are to settle payment in full upon delivery of goods. The following is an ageing analysis of the trade receivables denominated in HK\$ and presented based on the date of certificate on progress payments of contract works or the invoice date which approximates the date of revenue recognition for sales of metal and steel products at the end of the reporting period:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–30 days	3,695	2,309
31–60 days	2,522	18,678
61–90 days	52	1,090
Over 90 days	3,320	1,105
	<u>9,589</u>	<u>23,182</u>

13. TRADE AND OTHER PAYABLES AND ACCRUALS

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	6,407	3,923
Accrued staff costs	16,684	12,161
Accruals and others	9,085	4,385
	<u>32,176</u>	<u>20,469</u>

The credit period granted to the Group by suppliers normally ranges from 0 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–30 days	2,788	3,282
31–60 days	2,536	334
61–90 days	951	36
Over 90 days	132	271
	<u>6,407</u>	<u>3,923</u>

14. SHARE CAPITAL

Details of movements of share capital are as follows:

	<i>Note</i>	Number of shares '000	Amount HK\$'000
Authorised:			
Ordinary shares of HK\$0.01 each at 1 April 2024, 31 March 2025 and 1 April 2025		3,800,000	38,000
Share consolidation	<i>(ii)</i>	(3,610,000)	–
Increase in authorised share capital of HK\$0.2 each	<i>(iii)</i>	<u>190,000</u>	<u>38,000</u>
Ordinary shares of HK\$0.2 each as at 31 March 2026		<u><u>380,000</u></u>	<u><u>76,000</u></u>
Issued and fully paid:			
Ordinary shares of HK\$0.01 each at 1 April 2024		767,600	7,676
Issue of shares upon the placing	<i>(i)</i>	<u>153,520</u>	<u>1,535</u>
Ordinary shares of HK\$0.01 each at 31 March 2025 and 1 April 2025		921,120	9,211
Share Consolidation	<i>(ii)</i>	(875,064)	–
Issue of shares upon the Right Issue and Placing	<i>(iii)</i>	<u>184,224</u>	<u>36,845</u>
Ordinary shares of HK\$0.2 each as at 31 March 2026		<u><u>230,280</u></u>	<u><u>46,056</u></u>

Notes:

- (i) The Company issued 153,520,000 ordinary shares of HK\$0.01 each to independent third parties at a subscription price of HK\$0.054 in June 2024.
- (ii) Pursuant to an ordinary resolution passed on 2 February 2026, the share consolidation and increase in authorised share capital were approved by the shareholders of the Company and has become effective on 4 February 2026.

Prior to the Share Consolidation share consolidation and increase in authorised share capital, the authorised share capital of the Company was HK\$38,000,000 divided into 3,800,000,000 shares of par value of HK\$0.01 each, of which 921,120,000 shares of par value of HK\$0.01 each were in issue and were fully paid or credited as fully paid. Immediately following the implementation of the Share Consolidation, the Company's authorised share capital becomes HK\$380,000,000 divided into 190,000,000 shares of par value of HK\$0.2 each, and its issued share capital becomes HK\$9,211,000 divided into 46,056,000 shares of par value of HK\$0.2 each.

- (iii) Pursuant to an ordinary resolution passed on 2 February 2026, the right issue was approved by the shareholders of the Company and was made, at an issue price of HK\$0.045 per rights share, resulting in the issue of 184,224,000 shares for a total cash consideration, before expenses, of approximately HK\$84.7 million.

15. COMPARATIVE FIGURES

Certain comparative financial information has been reclassified in order to conform with current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in steel and metal engineering services. The engineering services range from design, manufacture, supply to installation of steel and metal products such as roller shutters and metal doors for construction projects in Hong Kong and China. We serve customers including construction companies and engineering companies on a project-by-project basis.

During FY2025, the Group's revenue decreased by 5.0% to approximately HK\$178.2 million. The construction market is currently facing a pronounced downturn, characterized by rising material costs, elevated interest rates, and a industry-wide tightening of capital expenditure. As developers and public entities delay or scale back new projects to manage financial risk, the volume of active market opportunities has contracted. This challenging has directly pressured our revenue performance.

Major projects awarded and undertaken in 2025

During FY2026, the Group secured new steel and metal works contracts with aggregate contract sum of HK\$186.3 million, following set out the summary of our contract awarded during FY2026:

Project type	Number of projects	Total original contract sum <i>Approximately HK\$' million</i>
Original contract sum at or above HK\$10 million	3	157.4
Original contract sum below HK\$10 million but at or above HK\$5 million	1	9.8
Original contract sum less than HK\$5 million	23	19.1

As at 31 March 2026, the total value of contracts on hand which the performance obligation that were unsatisfied (or partially unsatisfied was) HK\$266.6 million.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no significant events affecting the Group after the year ended 31 March 2026 and up to the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

There are certain risks involved in the Group's operations, many of which are beyond the Group's control, including but not limited to those relating to the business and the industry. Some of the major risks the Group facing include the following:

- Our revenue relies on successful quotation or tenders of engineering services projects which are not recurrent in nature, and there is no guarantee that our customers will provide us with new business or that we will secure new customers;
- Reduction or termination of public sector projects in Hong Kong may adversely affect our revenue and results of operations;
- Failure to estimate the costs involved accurately in the implementation of the project and delay in completion of the project which may adversely affect our operating results and financial position; and
- We plan to expand our capacity by acquiring equipment and expanding manpower which may result in an increase in expense and staff costs which may adversely affect our operating results and financial position.

FINANCIAL REVIEW

Revenue

The revenue of the Group has decreased by approximately 5.0% from approximately HK\$187.5 million in FY2025 to approximately HK\$178.2 million in FY2026.

Direct costs

Our direct costs primarily consist of direct material costs, direct labour costs, installation service fees, sub-contracting costs and other costs.

The Group's cost of services decreased in line with the decrease in revenue from approximately HK\$185.0 million in FY2025 to about HK\$175.0 million in FY2026, reflecting a 5.4% decrease. While direct costs remained well-controlled during the Reporting Period, the sustained increase in oil prices since late March is projected to exert significant upward pressure on production and material costs in the upcoming year.

Gross profit and gross profit margin

The gross profit of the Group remain stable in FY2026 and FY2025.

Other income and other gains and losses

The Group reported an other loss of HK\$5.8 million in FY2025 and other loss of HK\$5.4 million in FY2026. The primary factor contributing to the other loss and other gains and losses was the provision for expected credit losses amounting to HK\$7.5 million in FY2026 (2025: HK\$6.8 million) made for customers.

Administrative expenses

Administrative expenses increased by approximately 30.3% from approximately HK\$20.1 million in FY2025 to approximately HK\$26.2 million in FY2026.

Income tax expenses

The income tax expense was HK\$0.7 million in FY2025 and HK\$0.1 million in FY2026. The decrease was led by the decrease in profit in certain subsidiaries.

Loss for the year

The Group recorded loss for the year from operations amounted to approximately HK\$28.9 million in FY2026 as compared to loss for the year from operations amounted to approximately HK\$24.0 million in FY2025. The preceding commentaries cite the reasons.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2026, the Group had total cash and cash equivalents of approximately HK\$116.5 million (2025: HK\$31.1 million), total assets of approximately HK\$235.8 million (2025: HK\$167.5 million). The capital structure of the Company comprised share capital only. As at 31 March 2026, total equity attributable to owners of the Company amounted to approximately HK\$197.5 million (2025: HK\$144.5 million), and the Group's borrowings comprised of lease liabilities of approximately HK\$1.4 million (2025: approximately HK\$81,000).

The Group's gearing ratio, calculated by dividing total borrowings by total equity, was approximately 0.73% (2025: 0.06%). The increase in the gearing ratio during the year ended 31 March 2026 was mainly due to the addition of lease liabilities during the year.

Cash and cash equivalents

There was a increase in the balance of cash and cash equivalents of approximately HK\$99.4 million from approximately HK\$17.1 million as at 31 March 2025 to approximately HK\$116.5 million as at 31 March 2026.

During FY2026, the Group has a net cash inflow of approximately HK\$21.3 million in its operating activities, a net cash outflow of approximately HK\$0.9 million in its investing activities, and a net cash inflow of approximately HK\$81.7 million in its financing activities.

CHARGE ON THE GROUP'S ASSETS

As at 31 March 2026 and 2025, no group asset was pledged.

LITIGATION, CLAIMS AND NON-COMPLIANCES

For FY2026, the Group was not engaged in any material litigation or arbitration and no material litigation or claim is known to the directors to be pending or threatened against the Group.

FOREIGN EXCHANGE EXPOSURE

The Group undertakes certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly pertaining to the risk of fluctuations in the Hong Kong dollars against Renminbi.

The Group has not used any derivative contracts to hedge against its exposure to currency risk. The Group will continue to monitor foreign currency risk exposure and will consider hedging significant foreign currency risk should the need arise.

INTEREST RATE RISK

The Group is exposed to interest rate risk primary to the bank facilities with floating interest rate. For both years, the Group did not have any interest rate hedging policy. However, the management will continue to closely monitor the Group's interest risk exposure and will consider hedging interest rate risk when necessary.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

For FY2026, the Group has contributed approximately HK\$1.2 million in the acquisition of property, plant and equipment. The contributions are mainly for the expansion of our production capacity, of which approximately HK\$1.2 million was financed by the net proceeds from the listing (the “**Listing**”) of the shares (the “**Shares**”) of the Company on the Stock Exchange.

As at 31 March 2026, the Group did not have any expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of certain plant and equipment (2025: Nil).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2026 and 2025.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries, associates and joint venture by the Group during the year ended 31 March 2026 and 2025.

USE OF PROCEEDS FROM RIGHTS ISSUE

As announced by the Company on 11 December 2025, among other things, the Company proposed (i) to implement a share consolidation (the “**Share Consolidation**”) on the basis that every twenty issued existing shares of the Company be consolidated into one consolidated share (the “**Consolidated Share**”) and (ii) to raise approximately HK\$84.7 million before expenses by way of a rights issue (the “**Rights Issue**”) of 184,224,000 rights shares (the “**Rights Shares**”) at a subscription price of HK\$0.46 per Rights Share on the basis of four Rights Shares for every one Consolidated Share held by the qualifying shareholders on the record date.

The Share Consolidation and the Rights Issue were approved by the independent shareholders at an extraordinary general meeting convened by the Company on 2 February 2026 and the Share Consolidation was effective on 4 February 2026 and the Rights Issue was completed on 27 March 2026.

The gross proceeds from the Rights Issue are expected to be approximately HK\$84.7 million. The net proceeds from the Rights Issue after deducting related expenses are estimated to be approximately HK\$82.0 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$52.5 million, representing approximately 64.0% of the net proceeds, for supporting the Group’s existing and potential new projects, of which approximately HK\$14.0 million for direct material costs, approximately HK\$24.6 million for direct labour costs, approximately HK\$8.3 million for initial design fees and approximately HK\$5.6 million for installation service fees, subcontracting fees and other costs including utility expenses, other miscellaneous production costs and transportation costs. The Group expects to fully utilised the net proceeds in this regard by the end of 2027;
- (ii) approximately HK\$18.0 million, representing approximately 22.0% of the net proceeds, for settlement of debts including trade and other payables and accruals. The Group expects to fully utilised the net proceeds in this regard by the end of 2026; and
- (iii) approximately HK\$11.5 million, representing approximately 14.0% of the net proceeds, for general working capital of the Group including staff cost, rental expenses, legal and professional fees and other operating expenses. The Group expects to fully utilised the net proceeds in this regard by the end of 2026.

As at 31 March 2026, none of the Net Proceeds were used.

Note: The estimated schedule for utilising the remaining proceeds is based on the best estimation made by the Group on future market condition and may change with the current market condition and future development.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company has raised gross proceeds of approximately HK\$161.5 million through the global offering upon the listing (the “**Listing**”) of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). After deducting the listing expenses, the net proceeds amounted to approximately HK\$130.0 million (“**Net Proceeds**”). Such Net Proceeds are intended to be applied in the same manner and the same proportion as disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus, the below table sets out the proposed application and the status of utilisation.

As stated in the Company’s announcement dated 27 September 2024 (the “**Announcement**”), after careful consideration and detailed evaluation by the Company of the operation and business strategy, the Board has resolved to change the use of the unutilised net proceeds amounted to approximately HK\$47.7 million (the “**Unutilised Net Proceeds**”) as at the date of the Announcement.

As at 31 March 2026, details of the use of the Unutilised Net Proceeds subsequent to the change in use are as follows:

	Planned use of Net Proceeds allocation (HK\$'000)	Balance of unutilised Net Proceeds before the change in use of Net Proceeds (HK\$'000)	Revised allocation of unutilised Net Proceeds (HK\$'000)	Net Proceeds utilised as at 31 March 2026 (HK\$'000)	Balance of unutilised Net Proceeds as at 31 March 2026 (HK\$'000)	Estimated schedule (Note)
Acquiring machines to replace and enhance the Group's production capacity	51,200	21,200	26,200	24,561	1,639	On or before 30 September 2026
Expanding the Group's workforce in Hong Kong and the PRC	33,700	33,700	33,700	33,700	–	N/A
Renovation and re-design of the Group's existing production facilities	24,100	6,390	9,100	9,100	–	N/A
Purchasing delivery trucks	5,000	5,000	5,000	5,000	–	N/A
Upgrading the Group's information technology system and equipment	3,500	3,500	3,500	3,500	–	N/A
Settlement of debts included in accruals trade and other payables	–	–	7,000	7,000	–	N/A
For the preliminary site expenses including design costs and prepayments to sub-contractors	–	–	13,000	13,000	–	N/A
General working capital	12,500	12,500	32,500	32,500	–	N/A
	<u>130,000</u>	<u>82,290</u>	<u>130,000</u>	<u>128,361</u>	<u>1,639</u>	

Note: The estimated schedule for utilising the remaining proceeds is based on the best estimation made by the Group on future market condition and may change with the current market condition and future development.

The Net Proceeds utilised and the Unutilised Net Proceeds were/will be utilised according to the proposed application as specified in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the change in use of proceeds as stated in the Company's Announcement dated 27 September 2024.

As at 31 March 2026, the unutilised net proceeds were deposited in the licensed banks in Hong Kong and the PRC.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

As stated in the Company's announcement dated 23 May 2024 and the supplemental announcement (the "**Supplemental Announcement**") dated 5 June 2024, the Company and the placing agent entered into the placing agreements pursuant to which the Company conditionally agreed to issue up to 153,520,000 shares (the "**Placing Shares**"), and the placing agent conditionally agreed, on a best effort basis, to procure the placees to subscribe for the Placing Shares at HK\$0.054 per Placing Share (the "**Placing Price**") and on the terms and subject to the conditions set out in the placing agreement (the "**Placing**").

The Placing Shares will be allotted and issued pursuant to the general mandate and will be allotted to not less than six placees. The conditions of the Placing have been fulfilled and completion took place on 19 June 2024. All the Placing Shares have been successfully placed by the placing agent to not less than six Placees at the Placing Price pursuant to the terms and conditions of the Placing Agreement.

The net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are approximately HK\$7.8 million, which will be used for the purpose as set out in the Supplemental Announcement dated 5 June 2024. As at 31 March 2026, the net proceeds from the Placing are fully utilised.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for FY2026.

EMPLOYEES AND REMUNERATION POLICY

The Group has a total of 613 employees in Hong Kong and the PRC as at 31 March 2026. The total salaries and related costs granted to employees amounted to approximately HK\$99.6 million in FY2026. The remuneration packages of employees are determined based on their qualifications, position and experience. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions.

The remuneration of the directors is decided by the Board upon the recommendation from the remuneration committee of the Company with reference to the relevant director's experience, responsibilities, workload, performance and the time devoted to the Group.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Board is of the view that the Company has complied with the applicable code provisions of the CG Code during the year ended 31 March 2026 except for the following deviation from the CG Code.

	Code Provision	Deviation	Considered Reason for Deviation
C.1.7	The Company should arrange appropriate insurance cover in respect of legal action against the Directors.	The Company has not arranged for appropriate insurance cover in respect of legal action against its directors for the year ended 31 March 2026.	The Company is in the course of arranging renewal of the director’s and officers liability insurance with the insurance company in accordance with the requirement under the CG Code.
C.2	Code provision C.2 stipulated that there are certain roles and responsibilities to be carried out by the chairman of the Company.	Due to the vacancy of the chairman of the Company following the resignation of Mr. Deng Chaowen as a chairman on 15 July 2025, such roles are delegated to the executive Directors except the roles and responsibilities as stated in code provision C.2.7 of the CG Code.	The Board will review the current structure from time to time and if a candidate with suitable knowledge, skill and experience is identified, the Board will make an appointment to fill the post of Chairman as appropriate.

BOARD DIVERSITY POLICY

During the year ended 31 March 2026, the Company maintained an effective Board comprising members of diverse professional background and industry experience.

CORPORATE GOVERNANCE PRACTICES

During the year, the Company complied with all applicable code provisions set out in the CG Code except for the above deviation.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as its own code of conduct governing securities transactions by the directors. Specific enquiries have been made to all directors and the directors have confirmed that they have complied with the Model Code during the year ended 31 March 2026.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 31 March 2026, neither the Company nor any of its subsidiaries redeemed, purchased or sold any of the listed securities of the Company.

PUBLIC FLOAT

As at the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained the prescribed public float under the Listing Rules.

REVIEW OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 March 2026, including the accounting principles and practices adopted by the Group, have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and audited by the auditor of the Company (the “**Auditor**”), Global Link CPA Limited (“**Global Link**”).

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group’s auditors, Global Link, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Global Link in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Global Link on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.hy-engineering.com. The annual report of the Group for the year ended 31 March 2026 containing all information required by the Listing Rules will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

By order of the Board
Hang Yick Holdings Company Limited
Law Hok Yu
Executive Director and Company Secretary

Hong Kong, 30 June 2026

As at the date of this announcement, the Board comprises Mr. Sin Kwok Chi Stephen, Mr. Law Hok Yu, and Mr. Ngai Wa Ping as executive directors, and Mr. Chan Man Kit, Mr. Xu Lingang and Ms. Cai Zhenhua as independent non-executive directors.