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HING YIP HOLDINGS LIMITED

興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00132)

PROPOSED SHARE PREMIUM CANCELLATION AND PAYMENT OF SPECIAL DIVIDEND

The Board intends to seek approval of the Shareholders at the AGM of the cancellation of the entire amount standing to the credit of the share premium account and transfer of such amount, after elimination of all the Accumulated Losses, to the contributed surplus account in accordance with the requirements of applicable laws of Bermuda and the Bye-laws.

The Share Premium Cancellation is conditional upon, among other things, the passing of a special resolution by the Shareholders to approve the Share Premium Cancellation at the AGM.

The Board recommends the payment of the Special Dividend to the Shareholders whose names appear on the register of members of the Company on the Record Date. The Special Dividend is permitted to be made out of the contributed surplus account and thus, the payment of the Special Dividend is subject to and conditional upon, among other things, the approval of the Share Premium Cancellation by the Shareholders at the AGM.

A circular containing, inter alia, further details of the Share Premium Cancellation and payment of Special Dividend together with a notice convening the AGM will be published on the websites of the Stock Exchange and the Company as soon as practicable in accordance with the Listing Rules.

PROPOSED SHARE PREMIUM CANCELLATION

The Board intends to seek Shareholders' approval at the AGM to effect the Share Premium Cancellation by cancelling the entire amount standing to the credit of the share premium account of the Company and applying the credits arising therefrom towards the elimination of all the Accumulated Losses and transferring the remaining balance to the contributed surplus account of the Company. As at 31 December 2023, the amount standing to the credit of the share premium account of the Company was approximately HK\$725,199,000 and the amount of Accumulated Losses was approximately HK\$560,378,000.

Pursuant to the Share Premium Cancellation, it is proposed that the entire amount standing to the share premium account of the Company as at the Effective Date be cancelled, with part of the credit arising therefrom being applied towards the elimination of the Accumulated Losses and the remaining balance in the amount of approximately HK\$164,821,000 being credited to the contributed surplus account of the Company. Upon the Share Premium Cancellation becoming effective, all the Accumulated Losses will be eliminated. The Company will apply part of the credit balance of the contributed surplus account, the amounts of which can more readily be distributed as dividends, to pay the Special Dividend.

The Share Premium Cancellation does not involve any reduction in the authorized or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements in respect of the Shares.

Reasons for the Share Premium Cancellation

The Share Premium Cancellation, after becoming effective, will facilitate the payment of the Special Dividend, subject to the passing of the relevant ordinary resolution and will also put the Company in a better position to declare dividends to the Shareholders in the future. The Board considers that the Accumulated Losses to be historical and proposes the reduction of the share premium account to eliminate the Accumulated Losses and to better reflect the financial position of the Company which it considers to be in the best interests of the Company and the Shareholders as a whole.

Effects of the Share Premium Cancellation

Implementation of the Share Premium Cancellation will not of itself alter the underlying assets, business, operations, management, financial position (other than as regards the payment of the relevant expenses) or the paid up share capital of the Company.

Conditions of the Share Premium Cancellation

The Share Premium Cancellation is conditional upon:

- (i) the passing of a special resolution by the Shareholders at the AGM to approve the Share Premium Cancellation; and
- (ii) compliance by the Company with the requirements of section 46(2) of the Companies Act to effect the Share Premium Cancellation and the Directors being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date would be, unable to pay its liabilities as they become due.

Subject to the fulfillment of the above conditions, the Effective Date is expected to be the date of passing the special resolution by the Shareholders at the AGM to approve the Share Premium Cancellation or upon the day on which the above conditions are fulfilled (whichever is later). No Shareholders are required to abstain from voting on the special resolution proposed to approve the Share Premium Cancellation.

PROPOSED PAYMENT OF SPECIAL DIVIDEND

The Board recommends the payment of the Special Dividend to the Shareholders whose names appear on the register of members of the Company on the Record Date, subject to the conditions as stated below.

The Special Dividend is permitted to be made out of the contributed surplus account in accordance with the provisions of the applicable laws of Bermuda. An ordinary resolution will be proposed at the AGM to approve the payment of the Special Dividend.

Conditions of Payment of the Special Dividend

The payment of the Special Dividend is conditional upon:

- (i) the passing of a special resolution by the Shareholders at the AGM approving the Share Premium Cancellation and the Share Premium Cancellation has become effective; and
- (ii) the passing of an ordinary resolution by the Shareholders at the AGM approving the Special Dividend.

No Shareholder will be required to abstain from voting on the resolution proposed to approve the payment of the Special Dividend.

Subject to the above conditions have been satisfied, the Special dividend will be paid on Wednesday, 24 July 2024 to those Shareholders whose names appear on the register of members of the Company on Tuesday, 9 July 2024. The register of members will be closed on 9 July 2024 and no transfer of shares will be effected on that day. In order to qualify for the proposed Special Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 8 July 2024.

General

A circular containing, inter alia, further details about the Share Premium Cancellation and the payment of the Special Dividend together with a notice convening the AGM will be published on the websites of the Stock Exchange and the Company as soon as practicable accordance with the Listing Rules.

Shareholders and potential investors of the Company should note that the Share Premium Cancellation and payment of Special Dividend are conditional upon satisfaction of the conditions set out in this announcement. Therefore, the proposed Share Premium Cancellation and payment of Special Dividend may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless the context requires otherwise, the terms below have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company to be held on Wednesday, 26 June 2024 at 10:30 a.m.
“Accumulated Losses”	the accumulated losses of the Company as shown in the audited financial statements of the Company for the year ended 31 December 2023
“Board”	the board of Directors of the Company
“Bye-laws”	the bye-laws of the Company (as amended from time to time)
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)

“Company”	Hing Yip Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Premium Cancellation shall become effective
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Record Date”	9 July 2024, being the record date for determination of entitlement of Shareholders to the Special Dividend
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Special Dividend”	the proposed payment of special dividend of 0.42 HK cents per Share in cash to the Shareholders whose name appear on the register of members of the Company on the Record Date
“Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the Share Premium Account as at the Effective Date and applying the credits arising therefrom towards the elimination of all the Accumulated Losses and transferring the remaining balance (if any) to the contributed surplus account of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board

HING YIP HOLDINGS LIMITED

HE Xiangming

Chairman

Hong Kong, 27 March 2024

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. HE Xiangming (Chairman), Mr. FU Weiqiang (President) and Mr. YOU Guang Wu, one non-executive Director, namely Mr. SHI Xuguang and three independent non-executive Directors, namely Mr. CHAN Kwok Wai, Mr. PENG Xinyu and Ms. LIN Junxian.