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## **Wang Yang Holdings Limited**

### **泓盈控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1735)**

### **PROFIT WARNING**

This announcement is made by Wang Yang Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Company’s preliminary review of the unaudited financial information and other information currently available to the Board, the Group is expected to record a net loss for the six months ended 30 September 2019 (the “**Period**”) as compared with a net profit of approximately HK\$4.3 million recorded for the corresponding period in 2018 (the “**Previous Period**”).

The turnaround from net profit position in the Previous Period to net loss position in the Period was principally attributable to the decrease in gross profit margin due to the increase in direct cost incurred from unexpected complexity arose from construction works of three construction projects of the Group at Austin Avenue, Carpenter Road and Lau Fau Shan, Hong Kong during the Period. Such complexity of works involves, among others, (i) discovery of additional underground utilities despite site inspection was conducted, (ii) additional requirements in excavation and lateral support planning; and (iii) additional drainage works and additional baffle inside grease trap in relation to the drawings for submission to the Hong Kong Environmental Protection Department. As a result of such works complexity, construction works have been prolonged and/or varied and resulted in the increase in direct cost.

The Company is still in the process of finalizing the unaudited consolidated results of the Group for the Period. The information contained in this announcement is only based on a preliminary review on the relevant unaudited financial information of the Group for the Period and the information currently available, which have neither been audited by the auditors of the Company nor reviewed by the audit committee of the Company. The above information may be subject to possible adjustments upon further review. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Period which is expected to be published by the end of November 2019 in accordance with the Listing Rules.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Wang Yang Holdings Limited**  
**Yu Zhuyun**  
*Chairman and Executive Director*

Hong Kong, 25 October 2019

*As at the date of this announcement, the executive directors of the Company are Mr. Yu Zhuyun (Chairman) and Mr. Zhu Fei (Chief Executive Officer); the non-executive directors of the Company are Mr. Qiao Xiaoge, Mr. Gao Jian and Ms. Zhu Yujuan; and the independent non-executive directors of the Company are Dr. Li David Xianglin, Mr. Wang Wenxing and Dr. Zhou Chunsheng.*