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TSUN YIP HOLDINGS LIMITED

進業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8356)

PROFIT ALERT

The announcement is made by Tsun Yip Holdings Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2024 (the “**2024 Interim Period**”) and assessment of the latest information currently available to the Board, the Group will achieve a turnaround from an unaudited net loss of approximately HK\$2.6 million for the six months ended 30 September 2023 (the “**2023 Interim Period**”) to unaudited net profit of approximately HK\$4.1 million for the 2024 Interim Period.

The expected turnaround from loss to profit for the 2024 Interim Period is mainly due to a gain from fair value change of approximately HK\$17.3 million on modification of certain terms and conditions of the promissory note with principal amount of approximately HK\$45.0 million issued by the Group in 2011. The terms of the promissory note have been amended in favour of the Company in June 2024 and its maturity date has been extended to 30 June 2027. The above-said gain from fair value change is non-recurring and non-cash item.

It should be noted that, after excluding the above-said non-recurring fair value gain, the Group is expected to record an unaudited loss of approximately HK\$13.2 million for the 2024 Interim Period as compared with an unaudited net loss of approximately HK\$2.6 million for the 2023 Interim Period. The Group expects a decrease of revenue and gross profit from approximately HK\$225.7 million and approximately HK\$10.9 million for the 2023 Interim Period to approximately HK\$171.6 million and approximately HK\$4.1 million respectively for the 2024 Interim Period. The decrease in revenue and gross profit is mainly due to the decrease in works and extra construction costs employed for certain projects

reaching maintenance period or nearly completion stage as well as delay in certified payments and progress billing from a customer. During the 2024 Interim Period, due to the increased uncertainty on the settlement of the said customer, the Group has recognised an additional loss allowance for expected credit losses on trade receivables and contract assets of totalling approximately HK\$5.8 million during the 2024 Interim Period. The Group holds on-going discussions with the said customer, and would take appropriate actions for recovery of settlement.

The Company is still in the process of finalising the unaudited consolidated financial results of the Group for the 2024 Interim Period. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the 2024 Interim Period which have not been audited by the auditor of the Company nor reviewed by the audit committee of the Company. The actual results of the Group for the 2024 Interim Period may differ from the information contained in this announcement. Details of the Group's unaudited financial information and performance will be disclosed in the Group's interim result announcement which is expected to be released on 28 November 2024.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Tsun Yip Holdings Limited
Kan Kwok Cheung
Chairman and Executive Director

Hong Kong, 22 November 2024

As at the date of this announcement, the Directors are Mr. Kan Kwok Cheung¹ (Chairman), Mr. Hui Ka Tsun¹, Mr. Kan Chun Ting Max¹, Mr. Law Cheuk Hung², Mr. Chin Chi Ho Stanley³, Mr. Kwok Man To Paul³, Mr. Wong Chung Yip Kenneth³ and Mr. Lai Ah Ming Leon³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its posting and the Company’s website at <http://www.tsunyip.hk>.