



LING YUI HOLDINGS LIMITED

凌銳控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 784

2024
Interim Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ling Chi Fai (*Chairman*)

Mr. Leung Cheuk Ho (*Chief Executive Officer*)

Non-executive Directors

Mr. Ling Yuk Tong (*appointed on 1 November 2024*)

Independent Non-executive Directors

Mr. Chong Kam Fung

Mr. Ho Chun Chung Patrick

Mr. Shi Wai Lim William

Ms. Yau Suk Man (*appointed on 1 November 2024*)

BOARD COMMITTEES

Audit Committee

Mr. Ho Chun Chung Patrick (*Chairman*)

Mr. Chong Kam Fung

Mr. Shi Wai Lim William

Remuneration Committee

Mr. Chong Kam Fung (*Chairman*)

Mr. Ling Chi Fai

Mr. Ho Chun Chung Patrick

Mr. Shi Wai Lim William

Nomination Committee

Mr. Ling Chi Fai (*Chairman*)

Mr. Chong Kam Fung

Mr. Ho Chun Chung Patrick

Mr. Shi Wai Lim William

AUDITOR

HLB Hodgson Impey Cheng Limited

Certified Public Accountant

31/F, Gloucester Tower

The Landmark

11 Pedder Street

Central

Hong Kong

COMPANY SECRETARY

Ms. Ng Hoi Ying

AUTHORISED REPRESENTATIVES

Mr. Ling Chi Fai

Ms. Ng Hoi Ying

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 1702-03, Stelux House

698 Prince Edward Road East

San Po Kong

Kowloon

Hong Kong

CORPORATE INFORMATION

LEGAL ADVISER AS TO HONG KONG LAWS

CFN Lawyers

Room Nos. 4101-04, 41/F

Sun Hung Kai Centre

30 Harbour Road

Wan Chai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

PRINCIPAL BANKS

Bank of Communications Co., Ltd.

Dah Sing Bank, Limited

The Hongkong and Shanghai Banking Corporation Limited

COMPANY'S WEBSITE

www.lingyui.com.hk

STOCK CODE

784

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended 30 September	
	Notes	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	120,588	110,864
Direct costs		(105,341)	(97,099)
Gross profit		15,247	13,765
Other income	5	396	75
Other gains	5	30	–
Reversal of impairment loss allowance of trade receivables and contract assets under expected credit loss model		634	1,093
Administrative expenses		(13,948)	(15,557)
Finance costs	6	(813)	(949)
Profit (loss) before taxation	7	1,546	(1,573)
Income tax expense	8	–	–
Profit (loss) and total comprehensive income (expense) for the period		1,546	(1,573)
Profit (loss) and total comprehensive income (expense) attributable to the owners of the company		1,546	(1,573)
		HK cents	HK cents
Earnings (losses) per share attributable to the owners of the company			
– Basic and diluted	10	0.19	(0.20)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Non-current assets			
Property and equipment	11	32,821	39,196
Deposits and payment for life insurance policy	13	5,086	5,052
		37,907	44,248
Current assets			
Trade receivables	12	46,378	19,954
Deposits, prepayments and other receivables	13	3,453	3,464
Contract assets		57,658	43,315
Tax recoverable		87	87
Bank balances	14	12,343	29,853
		119,919	96,673
Current liabilities			
Trade payables	15	22,858	15,519
Other payables and accrued charges	16	17,643	14,594
Lease liabilities		3,973	4,066
Contract liabilities		284	2,423
Bank borrowings	17	26,971	22,132
Tax payable		–	–
		71,729	58,734
Net current assets		48,190	37,939
Total assets less current liabilities		86,097	82,187
Non-current liabilities			
Lease liabilities		2,656	4,568
Bank borrowings	17	4,312	36
Deferred tax liabilities		135	135
		7,103	4,739
Net assets		78,994	77,448
Equity attributable to the owners of the Company			
Share capital	18	8,000	8,000
Reserves		70,994	69,448
Total equity		78,994	77,448

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to the owners of the Company				Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Accumulated profits HK\$'000	
Balance at 1 April 2023 (audited)	8,000	123,367	(60,130)	5,556	76,793
Loss and total comprehensive expense for the period	–	–	–	(1,573)	(1,573)
Balance at 30 September 2023 (unaudited)	8,000	123,367	(60,130)	3,983	75,220
Balance at 1 April 2024 (audited)	8,000	123,367	(60,130)	6,211	77,448
Profit and total comprehensive income for the period	–	–	–	1,546	1,546
Balance at 30 September 2024 (unaudited)	8,000	123,367	(60,130)	7,757	78,994

Note: Other reserve represents (i) the difference between the aggregate amount of share capital of Smart Sage Limited ("**Smart Sage**") and Southern Sun Investment Limited ("**Southern Sun**") issued, and the net asset values of Ming Lee Foundation Company Limited ("**Ming Lee Foundation**") and Ming Lee Engineering Company Limited ("**Ming Lee Engineering**") in connection with the group reorganisation on 30 March 2017, and (ii) the difference between the aggregate amount of nominal share capital of the Company issued, and the net asset values of Smart Sage and Southern Sun and non-controlling interests to the Group, upon completion of reorganisation on 4 December 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(23,707)	(187)
INVESTING ACTIVITIES		
Purchases of property and equipment	(100)	(1,821)
NET CASH USED IN INVESTING ACTIVITIES	(100)	(1,821)
FINANCING ACTIVITIES		
Interest paid	(813)	(949)
Repayment of bank borrowings	(46,311)	(46,758)
New bank borrowings raised	55,426	46,077
Repayment of lease liabilities/finance leases	(2,005)	(1,154)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	6,297	(2,784)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,510)	(4,792)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	29,853	12,636
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD represented by bank balances	12,343	7,844

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL

Ling Yui Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Act (as revised) of Cayman Islands on 24 January 2017 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 December 2017. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business in Hong Kong of the Company is located at Units 1702-03, Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in provision of foundation engineering services in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Group.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance. The unaudited condensed consolidated financial statements have been prepared under the historical cost basis.

The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Amendments to HKFRSs that are mandatorily effective for the current year

During the reporting period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Amendments to HKFRSs that are mandatorily effective for the current year (continued)

The application of the new and amendments to HKFRSs in the current period had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

(b) New and amendments to HKFRSs in issue but not yet effective

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

HKAS 21 and HKFRS 1 Amendments	Lack of Exchangeability ¹
HKFRS 9 and HKFRS 7 Amendments	Amendments to Classification and Measurement of Financial Instruments ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Hong Kong Interpretation 5 Amendments	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³

¹ Effective for accounting periods beginning on or after 1 January 2025

² Effective for accounting periods beginning on or after 1 January 2026

³ Effective for accounting periods beginning on or after 1 January 2027

⁴ No mandatory effective date is determined yet but early application is permitted

The directors of the Company (the "Directors") are in process of assessing the potential impact of the new and amendments to HKFRSs, and at this stage have not yet anticipated or determined the effect of the application of these new and amendments to HKFRSs on the financial positions and performance of the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the net amounts received and receivable from the foundation engineering services provided by the Group to its customers. The Group's revenue is solely derived from foundation engineering services in Hong Kong. For the purpose of resources allocation and performance assessment, the chief operating decision maker representing the executive Directors reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies of the Group. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

Geographical information

No geographical segment information is presented as the Group's revenue is all derived from Hong Kong based on the location of services delivered and the Group's non-current assets excluding financial instruments amounting to approximately HK\$32.8 million (31 March 2024: approximately HK\$39.2 million) are all located in Hong Kong by physical location of assets.

Information about major customers

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Customer A	65,718	40,446
Customer B	N/A*	39,790
Customer C	N/A*	17,119
Customer D	N/A*	11,708
Customer E	28,588	N/A*
Customer F	23,533	N/A*

* Less than 10% of the Group's total revenue for the period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. OTHER INCOME AND OTHER GAINS

Other income

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest income	68	66
Sundry income	328	9
	396	75

Other gains

	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Gain on disposal of property and equipment	30	–

6. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Finance costs on:		
Lease liabilities	186	156
Bank borrowings	627	793
	813	949

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. PROFIT (LOSS) BEFORE TAXATION

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit (loss) before taxation has been arrived at after charging:		
Auditor's remuneration	480	480
Depreciation of property and equipment	6,475	5,766
Directors' remuneration	1,990	2,070
Other staff costs		
Salaries and other benefits	16,119	21,246
Retirement benefits scheme contributions	455	588
Total staff costs	18,564	23,904

8. INCOME TAX EXPENSE

For the six months ended 30 September 2024 and 2023, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5% on the estimated assessable profits.

The amount of income tax expense charged to the unaudited condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Hong Kong Profits Tax:		
Current tax	—	—
	—	—

9. DIVIDENDS

The board of Directors (the "Board") does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

10. EARNINGS (LOSSES) PER SHARE

(a) Basic

Basic earnings (losses) per share is calculated by dividing the earnings (losses) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
Earnings (losses) for the period attributable to the owners of the Company (HK\$'000)	1,536	(1,573)
Weighted average number of ordinary shares for the purpose of calculating basic earnings (losses) per share (in thousand)	800,000	800,000
Earnings (losses) per share (expressed in HK cents per share)	0.19	(0.20)

For the six months ended 30 September 2024 and 2023, the weighted average number of ordinary shares for the purpose of calculating basic earnings (losses) per share were derived from 800,000,000 shares.

(b) Diluted

Diluted earnings (losses) per share is the same as basic earnings (losses) per share due to the absence of dilutive potential ordinary share for six months ended 30 September 2024 and 2023.

11. PROPERTY AND EQUIPMENT

During the six months ended 30 September 2024, the Group did not acquire any of property, plant and equipment (six months ended 30 September 2023: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

12. TRADE RECEIVABLES

The Group grants credit terms of 7 to 45 days to its customers from the date of invoices on progress payments of contract works. An ageing analysis of the trade receivables (net of impairment loss allowance) presented based on the invoice date at the end of the reporting period:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
0 – 30 days	24,049	14,182
31 – 60 days	9,017	3,888
61 – 90 days	10,304	1,884
91 – 365 days	3,008	–
Over 365 days	–	–
	46,378	19,954

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Deposits	1,311	1,515
Pledged deposit	2,460	2,460
Other receivables	250	250
Prepayments	401	208
Payment for life insurance policy	4,117	4,083
Total	8,539	8,516
Presented as non-current assets	5,086	5,052
Presented as current assets	3,453	3,464
Total	8,539	8,516

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. BANK BALANCES

Bank balances comprise short-term bank deposits with an original maturity of three months or less and carrying interest at prevailing market rate from 0.438% to 0.875% (31 March 2024: 0.438% to 0.875%) per annum at the end of the reporting period.

15. TRADE PAYABLES

The credit period is 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:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
0 – 30 days	11,129	6,479
31 – 60 days	9,808	6,514
Over 60 days	1,921	2,526
	22,858	15,519

16. OTHER PAYABLES AND ACCRUED CHARGES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Accrued charges	3,482	4,544
Retention payable	12,684	9,323
Accrued staff cost	1,477	727
	17,643	14,594

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. BANK BORROWINGS

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Secured	31,283	22,168
	31,283	22,168
The carrying amounts of the above bank borrowings are repayable:		
Within one year	26,971	3,576
More than one year but within two years	4,312	36
	31,283	3,612

The Group's bank borrowings as at 30 September 2024 were secured and guaranteed by:

- (a) machineries and construction equipment and motor vehicles;
- (b) life insurance policy of the Group; and
- (c) corporate guarantees provided by the Company.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. SHARE CAPITAL

The share capital balances as at 30 September 2024 in the unaudited condensed consolidated statement of financial position represented the issued share capital of the Company. Details of the authorised and issued and fully paid share capital of the Company are summarised as follows:

	Number of shares	HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2024 and 30 September 2024	2,000,000,000	20,000
Issued and fully paid:		
At 31 March 2024 and 30 September 2024	800,000,000	8,000

19. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of executive Directors and other members of key management during the six months ended 30 September 2024 and 2023 were as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short-term benefits	3,289	2,810
Post-employment benefits	54	45
	3,343	2,855

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

20. CONTINGENT LIABILITIES

During the year ended 31 March 2019, Ming Lee Foundation, an indirect wholly-owned subsidiary of the Company, received two Writs of Summons from W.M. Contractor Limited ("**W.M. Contractor**"), claiming against Ming Lee Foundation for the overpayment made by W.M. Contractor of certain construction projects in the amount of approximately HK\$441,000 (the "**1st Action**") and HK\$2,001,000 (the "**2nd Action**") respectively. W.M. Contractor subsequently filed an amended statement of claim revising the claim for the amount of overpayment made by W.M. Contractor in the 1st Action to approximately HK\$4,588,000.

During the year ended 31 March 2020, Ming Lee Foundation filed a defence to and counterclaim against W.M. Construction Limited ("**W.M. Construction**") and W.M. Contractor in the amount of approximately HK\$4,764,000 and HK\$5,536,000 for the outstanding payment for 6 completed construction projects. The parties to the 1st Action and the 2nd Action consented to and an order was made by the court that the proceedings under the 1st Action and the 2nd Action be consolidated and carried on as an action (the "**Consolidated Action**").

A Notice of Acceptance of Sanctioned Payment was filed on 9 February 2024, pursuant to which Ming Lee Foundation accepted the payments into court totaling HK\$9,300,000 in settlement of the whole of the Consolidated Action.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a Hong Kong-based main contractor that principally provides foundation works including excavation and lateral support works, pile cap works and pile construction, site formation works and other ancillary services such as road and drainage works for foundation projects in the private sector.

For the six months ended 30 September 2024, the Group recorded a net profit of approximately HK\$1.5 million as compared to a net loss of approximately HK\$1.6 million for the corresponding period in 2023. The Directors are of the view that the increase in net profit was due to the combined effect of increase in revenue and cost control over the administrative expenses.

OUTLOOK

The Directors are of the view that the general outlook of the industry and the business environment in which the Group operates will remain challenging. The property market of private sector in Hong Kong is expected to remain slow as a result of interest rate persistently remain at high level throughout the year which has created economic uncertainty to Hong Kong and imposed adverse impacts on the construction industry, including affecting business opportunity which developer has reduced the interest in property development in private sector, competition in construction industry for jobs is intense. The interest rate maintains in high level also leads to increase in the cost of construction to affect the profitability. Looking ahead, the Group will adhere to prudent financial management in project selection and cost control. The Group will continue to obtain additional qualifications and strengthen its financial resources to position itself to tender for suitable projects in the private sector as a main contractor, and invest in manpower and information system to enhance its operational capacity and efficiency.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 8.8% from approximately HK\$110.9 million for the six months ended 30 September 2023 to approximately HK\$120.6 million for the six months ended 30 September 2024. Such increase was mainly due to the increase in variation order of project 9-11 Mansfields Road which amounting to approximately HK\$5.0 million and additional claims from previous completed project-152-155 Connaught Road Center which amounting to approximately HK\$5.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Direct Costs

The Group's direct costs for the six months ended 30 September 2024 were approximately HK\$105.3 million, representing an increase of approximately 8.5% from approximately HK\$97.1 million for the six months ended 30 September 2023. Such increase was in line with the increase in revenue for the same period.

Gross Profit and Gross Profit Margin

The Group's gross profit for the six months ended 30 September 2024 was approximately HK\$15.2 million as compared to gross profit for the six months ended 30 September 2023 of approximately HK\$13.8 million. The Group recorded a gross profit margin for the six months ended 30 September 2024 of approximately 12.6%, as compared to a gross profit margin of approximately 12.4% for the six months ended 30 September 2023. The Group's gross profit margin remained relatively stable for the six months ended 30 September 2024, as compared to the same period in 2023..

Administrative Expenses

The Group's administrative expenses for the six months ended 30 September 2024 were approximately HK\$13.9 million, representing a decrease of approximately 10.9% from approximately HK\$15.6 million for the six months ended 30 September 2023, primarily as a result of a decrease of staff cost of approximately HK\$1.2 million.

Profit and Total Comprehensive Income for the Period Attributable to the Owners of the Company

As a result of the foregoing, the Group recorded a net profit of approximately HK\$1.5 million for the six months ended 30 September 2024 as compared to a net loss of approximately HK\$1.6 million for the same period in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The shares of the Company (the “**Shares**”) were successfully listed on the Main Board of the Stock Exchange on 28 December 2017. There has been no change in the capital structure of the Group since then. The capital of the Group only comprises of ordinary shares.

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its liquidity and capital requirements primarily through cash generated from operations, bank borrowings and equity contribution from shareholders.

As at 30 September 2024, the Group had bank balances of approximately HK\$12.3 million (31 March 2024: approximately HK\$29.9 million).

As at 30 September 2024, the Group’s total equity attributable to the owners of the Company amounted to approximately HK\$79.0 million (31 March 2024: approximately HK\$77.4 million). As of the same date, the Group’s total debt, amounted to approximately HK\$78.8 million (31 March 2024: approximately HK\$63.5 million).

BANK BORROWINGS AND GEARING RATIO

As at 30 September 2024, the Group had bank borrowings of approximately HK\$31.3 million which were denominated in Hong Kong dollars (31 March 2024: approximately HK\$22.2 million). The Group’s bank borrowings were primarily used in financing the working capital requirement of its operations.

As at 30 September 2024, the gearing ratio of the Group, calculated as the total debt divided by the total equity, was approximately 99.7% (31 March 2024: approximately 82.0%).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report, there was no significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures by the Company during the six months ended 30 September 2024. There was no other plans for material investments or capital assets as at 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGE ON GROUP ASSETS

As at 30 September 2024, the Group had pledged its machineries and construction equipment with an aggregate net book value of approximately HK\$13.7 million (31 March 2024: approximately HK\$16.3 million) to the banks and a financial institution to secure the short-term bank loans and other general banking facilities granted to the Group.

As at 30 September 2024, payment for life insurance policy of approximately HK\$4.1 million was pledged to a bank to secure the banking facilities granted to the Group (31 March 2024: approximately HK\$4.1 million).

FOREIGN EXCHANGE EXPOSURE

All of the revenue-generating operations and bank borrowings of the Group were denominated in Hong Kong dollars which is the presentation currency of the Group. As such, the Directors are of the view that the Group did not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. The Board will review the Group's foreign exchange risk and exposure from time to time and will apply hedging where necessary.

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CONTINGENT LIABILITIES

Save as disclosed in the note 20 to the unaudited condensed consolidated financial statements, as at 30 September 2024, the Group did not have any other material contingent liabilities (31 March 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

As at 30 September 2024, the Group had no material capital commitments in respect of acquisition of property and equipment (31 March 2024: Nil).

SEGMENT INFORMATION

The Group's revenue is solely derived from foundation engineering services in Hong Kong and hence it has only one single operating segment. Accordingly, no operating segment information is presented as the Group's revenue. The Group also had no geographical segment information presented as at 30 September 2024 and 2023.

INFORMATION ON EMPLOYEES

As at 30 September 2024, the Group had 67 full-time employees working in Hong Kong (31 March 2024: 88). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees. The total staff cost (including Director's emoluments and mandatory provident funds contributions) for the six months ended 30 September 2024 amounted to approximately HK\$18.6 million (for the six months ended 30 September 2023: approximately HK\$23.9 million).

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (30 September 2023: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2024, the following Directors or chief executives of the Company had or was deemed to have interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**") (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"):

Long positions in Shares and underlying shares of the Company

Name of Director/ chief executive	Capacity/Nature of interest	Number of Shares held/ Interested	Approximate percentage of shareholding
Mr. Ling Chi Fai (<i>Note 1</i>)	Interested in a controlled corporation	331,220,000	41.40%

Note:

- (1) Mr. Ling Chi Fai ("**Mr. Ling**") legally and beneficially owns the entire issued share capital of Reach Goal Development Limited ("**Reach Goal**"). Therefore, Mr. Ling is deemed, or taken to be, interested in all the Shares held by Reach Goal for the purpose of the SFO. Mr. Ling is the sole director of Reach Goal.

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executives of the Company had registered any interests or short positions in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as is known to the Directors, as at 30 September 2024, the following persons/entities (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in Shares and underlying shares of the Company

Name	Capacity/ Nature of interest	Number of Shares held/ interested	Approximate percentage of shareholding
Mr. Lee Kim Ming (<i>Note 1</i>)	Interested in a controlled corporation	202,910,000	25.36%
Simple Joy Investments Limited (" Simple Joy ")	Beneficial owner	202,910,000	25.36%
Ms. Yeung Yuen Man (<i>Note 2</i>)	Interest of spouse	202,910,000	25.36%
Reach Goal	Beneficial owner	331,220,000	41.40%
Simply Marvel Limited (" Simply Marvel ")	Beneficial owner	57,090,000	7.14%
Mr. Chan Siu Hung (<i>Note 3</i>)	Interest in a controlled corporation	57,090,000	7.14%
Ms. Fu Jingyan (<i>Note 4</i>)	Interest of spouse	57,090,000	7.14%

Notes:

- (1) Mr. Lee Kim Ming ("**Mr. Lee**") legally and beneficially owns the entire issued share capital of Simple Joy. Therefore, Mr. Lee is deemed, or taken to be interested in all the shares held by Simple Joy for the purpose of the SFO. Mr. Lee is the sole director of Simple Joy.
- (2) Ms. Yeung Yuen Man ("**Ms. Yeung**") is the spouse of Mr. Lee. Under the SFO, Ms. Yeung is deemed to be interested in the same number of Shares in which Mr. Lee is interested.
- (3) Mr. Chan Siu Hung ("**Mr. Chan**") legally and beneficially owns the entire issued share capital of Simply Marvel. Therefore, Mr. Chan is deemed, or taken to be, interested in all the Shares held by Simply Marvel for the purpose of the SFO. Mr. Chan is the sole director of Simply Marvel.
- (4) Ms. Fu Jingyan ("**Ms. Fu**") is the spouse of Mr. Chan. Under the SFO, Ms. Fu is deemed to be interested in the same number of Shares in which Mr. Chan is interested.

OTHER INFORMATION

Save as disclosed above, as at 30 September 2024, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, had any interests or a short positions in the Shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company or any other member of the Group.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including the sale of any treasury shares (as defined under the Listing Rules)) during the six months ended 30 September 2024. The Company did not have any treasury shares as at 30 September 2024.

CHANGE OF CONTROLLING SHAREHOLDER AND THE OFFER

On 15 July 2024 (the “**Completion Date**”), Reach Goal (a company wholly and beneficially owned by Mr. Ling, an executive Director) and Simple Joy (a company wholly and beneficially owned by Mr. Lee, a substantial shareholder of the Company) entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) pursuant to which, Simple Joy agreed to sell and Reach Goal agreed to purchase, a total of 100,000,000 Shares (representing approximately 12.50% of the total issued share capital of the Company as at the date of this report) for a total consideration of HK\$4,000,000 at HK\$0.04 per Share. Completion of the Sale and Purchase Agreement took place on the same day.

In accordance with Rule 26.1 of the Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Code**”) issued by the Securities and Futures Commission, Astrum Capital Management Limited, for and on behalf of Reach Goal, made a mandatory unconditional cash offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by Reach Goal, Mr. Ling and parties acting in concert with any of them (other than Simple Joy and Mr. Lee) (the “**Offer**”). Immediately after the close of the Offer and taking into account the valid acceptances in respect of 1,220,000 Offer Shares (subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances were received), Reach Goal, Mr. Ling and parties acting in concert with any of them were interested in 534,130,000 Shares, representing approximately 66.77% of the total issued Shares.

Detailed information in relation to the Sale and Purchase Agreement and the Offer were set out in the announcements of the Company dated 25 July 2024, 6 August 2024, 12 September 2024 and the composite document dated 22 August 2024 jointly issued by the Company and Reach Goal.

COMPETING BUSINESS

During the six months ended 30 September 2024, none of the Directors or the controlling shareholders of the Company (the **"Controlling Shareholders"**) and their respective associates (as defined in the Listing Rules) had any interests in a business, apart from the business of the Group, which competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

Non-Competition Undertaking

In order to avoid any possible future competition between the Group and the Controlling Shareholders, Mr. Lee and Simple Joy (each a **"Covenantor"** and collectively the **"Covenantors"**) have entered into the deed of non-competition (the **"Deed of Non-competition"**) with the Company (for itself and for the benefit of each other member of the Group) on 4 December 2017. Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and as trustee for its subsidiaries) that, during the period that the Deed of Non-competition remains effective, he/it shall not, and shall procure that his/its associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group.

Each of the Covenantors further undertakes that if any of he/it or his/its close associates other than any member of the Group is offered or becomes aware of any business opportunity which may compete with the business of the Group, he/it shall (and he/it shall procure his/its associates to) notify the Group in writing and the Group shall have a right of first refusal to take up such business opportunity. The Group shall, within 6 months after receipt of the written notice (or such longer period if the Group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify the Covenantor(s) whether the Group will exercise the right of first refusal or not.

The Group shall only exercise the right of first refusal upon the approval of all the independent non-executive Directors (who do not have any interest in such opportunity). The relevant Covenantor(s) and the other conflicting Directors (if any) shall abstain from participating in and voting at and shall not be counted as quorum at all meetings of the Board where there is a conflict of interest or potential conflict of interest including but not limited to the relevant meeting of the independent non-executive Directors for considering whether or not to exercise the right of first refusal.

OTHER INFORMATION

During the six months ended 30 September 2024, the Company had not received any information in writing from any of the Controlling Shareholders in respect of any new business opportunity which competed or might compete with the existing and future business of the Group which were offered to or came to be the knowledge of the Controlling Shareholders or their associates (other than any member of the Group).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code and there was no event of non-compliance during the six months ended 30 September 2024.

SHARE OPTION SCHEME

The Company's share option scheme (the **"Scheme"**) was conditionally adopted, pursuant to a resolution passed on 4 December 2017, for the primary purpose of providing additional incentive to employees (full-time and part-time), the Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group. Unless otherwise terminated or amended, the Scheme will remain in force for 10 years.

Pursuant to the Scheme, the aggregate number of Shares which may be issued upon exercise of all options to be granted under the Scheme, and other schemes offered by the Company, as from the date of adoption of the Scheme, shall not exceed 10% of the Shares in issue on the listing date (i.e. 800,000,000 Shares). The overall limit on the number of shares which shall be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme, and other schemes offered by the Company, shall not exceed 30% of the issued share capital of the Company from time to time. The total number of shares issued, and to be issued, upon exercise of options granted in accordance with the Scheme to each eligible participant in any 12-month period shall not exceed 1% of the issued share capital of the Company. The option shall remain open for acceptance by the eligible participant for a period of 7 days (inclusive of the date on which such offer is made). HK\$1 shall be payable by the participants on acceptance of the offer of the option.

The exercisable period of the share options granted is determinable by the Board, but no later than 10 years from the date of grant of the options. The subscription price for the Shares in respect of which options are granted is determinable by the Board, but shall be no less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a business day; (ii) the average closing price of the Company's Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the options; and (iii) the nominal value of the Company's share on the date of grant of the option.

OTHER INFORMATION

The Share Option Scheme is valid and effective for a period of ten years from 4 December 2017, after which no further options will be granted or offered. As at the date of this interim report, the Scheme had a remaining life of approximately three years.

As at 1 April 2024 and 30 September 2024, the total number of share options available for grant under the Scheme was 80,000,000. For the six months ended 30 September 2024, no share option was granted, exercised, expired, lapsed or cancelled and there is no outstanding share option under the Scheme. As such, no shares of the Company that may be issued in respect of options granted under all shares schemes of the Company during the six months ended 30 September 2024, and divided by the weighted average number of shares of 800,000,000 Shares for the six months ended 30 September 2024, is nil.

CORPORATE GOVERNANCE PRACTICE

The Company and the Board are devoted to achieve and maintain the highest standards of corporate governance as the Board believes that good and effective corporate governance practices are fundamental to obtain and maintain the trust of the shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles that emphasise on a quality Board, effective internal control, stringent disclosure practices and transparency and accountability to all stakeholders.

The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. In the opinion of the Board, the Company has complied with the CG Code during the six months ended 30 September 2024 and up to date of this interim report.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 4 December 2017. The chairman of the Audit Committee is Mr. Ho Chun Chung Patrick, an independent non-executive Director, and other members included Mr. Chong Kam Fung and Mr. Shi Wai Lim William, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are mainly to review the financial information and oversee the financial reporting system, internal control systems and risk management system and relationship with external auditors and review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

OTHER INFORMATION

The Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2024 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

UPDATE ON DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors during the six months ended 30 September 2024 and up to the date of this report are set out below:

1. Mr. Ling Yuk Tong has been appointed as a non-executive Director with effect from 1 November 2024. He is entitled to a Director's remuneration of HK\$194,400 per year.
2. Ms. Yau Suk Man has been appointed as an independent non-executive Director with effect from 1 November 2024. She is entitled to a Director's remuneration of HK\$194,400 per year.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, the Board is not aware of any significant events since 30 September 2024 and up to date of this interim report.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement and the interim report are published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.lingyui.com.hk. The interim report of the Company for the six months ended 30 September 2024 will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in December 2024. Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed interim report, free of charge, at any time by writing to the Company or the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited.

By order of the Board
Ling Yui Holdings Limited
Ling Chi Fai
Executive Director

Hong Kong, 28 November 2024

As at the date of this report, the Board comprises Mr. Ling Chi Fai and Mr. Leung Cheuk Ho as executive Directors; Mr. Ling Yuk Tong as a non-executive Director; and Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick, Mr. Shi Wai Lim William and Ms. Yau Suk Man as independent non-executive Directors.