



TSUN YIP HOLDINGS LIMITED

進業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8356)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Tsun Yip Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) 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.

HIGHLIGHTS

- The Group's revenue for the six months ended 30 September 2025 increased by approximately 21.4% to approximately HK\$208.3 million (2024: approximately HK\$171.6 million).
- Loss of the Group for the six months ended 30 September 2025 was amounted to approximately HK\$8.7 million (2024: Profit of approximately HK\$4.1 million).
- Basic loss per Share attributable to the owners of the Company for the six months ended 30 September 2025 was approximately HK15.0 cents (2024: basic earnings per Share of approximately HK7.8 cents (restated)).
- The Board does not recommend the payment of any dividend for the six months ended 30 September 2025.

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2025, together with the unaudited comparative figures for the corresponding periods in 2024, as follows:

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

For the six months ended 30 September 2025

		Six months ended	
		30 September	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	208,273	171,561
Cost of services		<u>(206,087)</u>	<u>(167,424)</u>
Gross profit		2,186	4,137
Other income	5	663	3,050
Other gains, net	6	409	11,961
Administrative and operating expenses		<u>(9,383)</u>	<u>(11,671)</u>
(Loss)/profit from operations	8	(6,125)	7,477
Finance costs	10	<u>(2,696)</u>	<u>(2,886)</u>
(Loss)/profit before income tax		(8,821)	4,591
Income tax	11	<u>83</u>	<u>(470)</u>
(Loss)/profit for the period		<u><u>(8,738)</u></u>	<u><u>4,121</u></u>

		Six months ended	
		30 September	
		2025	2024
	Notes	HK\$'000	HK\$'000
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		—	—
Other comprehensive income for the period, net of tax		—	—
Total comprehensive (loss)/income for the period		<u>(8,738)</u>	<u>4,121</u>
(Loss)/profit for the period attributable to:			
– Owners of the Company		(8,603)	4,364
– Non-controlling interests		<u>(135)</u>	<u>(243)</u>
		<u>(8,738)</u>	<u>4,121</u>
Total comprehensive (loss)/profit for the period attributable to:			
– Owners of the Company		(8,603)	4,364
– Non-controlling interests		<u>(135)</u>	<u>(243)</u>
		<u>(8,738)</u>	<u>4,121</u>
(Restated)			
(Loss)/earnings per Share attributable to the owners of the Company			
	13		
– Basic (HK cent(s))		<u>(15.0)</u>	<u>7.8</u>
– Diluted (HK cent(s))		<u>(15.0)</u>	<u>6.0</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2025

		As at 30 September 2025 (Unaudited) <i>HK\$'000</i>	As at 31 March 2025 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	14	15,263	15,095
Right-of-use assets		1,072	1,614
Deposit paid for acquisition of property, plant and equipment		—	1,385
		<u>16,335</u>	<u>18,094</u>
Current assets			
Trade and other receivables	15	66,613	82,047
Contract assets		11,480	9,367
Tax recoverable		16	21
Cash and cash equivalents		38,837	56,120
		<u>116,946</u>	<u>147,555</u>
Total assets		<u>133,281</u>	<u>165,649</u>
Current liabilities			
Trade and other payables	16	94,363	94,532
Contract liabilities		34,104	59,713
Lease liabilities		884	1,120
Employee benefits		9,399	9,399
		<u>138,750</u>	<u>164,764</u>
Net current liabilities		<u>(21,804)</u>	<u>(17,209)</u>
Total assets less current liabilities		<u>(5,469)</u>	<u>885</u>

		As at 30 September 2025 (Unaudited) <i>Notes</i> HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Non-current liabilities			
Lease liabilities		271	588
Promissory note		41,403	38,749
Deferred tax liabilities		1,325	1,413
		<u>42,999</u>	<u>40,750</u>
Total liabilities		<u>181,749</u>	<u>205,514</u>
Net liabilities		<u>(48,468)</u>	<u>(39,865)</u>
Capital and reserves			
Share capital	17	5,722	5,722
Reserves		(55,255)	(46,652)
		(49,533)	(40,930)
Non-controlling interests		1,065	1,065
Total Equity		<u>(48,468)</u>	<u>(39,865)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2025

	Share capital HK\$'000	Share Premium* HK\$'000	Capital reserves* HK\$'000	Convertible notes equity reserves* HK\$'000	Foreign currency translation reserves* HK\$'000	Other reserves* HK\$'000	Accumulated losses* HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
As at 1 April 2025	5,722	1,256,528	346,491	26,191	(1,236)	41,214	(1,715,840)	(40,930)	1,065	(39,865)
Loss for the period	-	-	-	-	-	-	(8,603)	(8,603)	(135)	(8,738)
Other comprehensive income for the period:										
Items that may be reclassified subsequently to profit or loss:										
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(8,603)	(8,603)	(135)	(8,738)
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	135	135
As at 30 September 2025 (unaudited)	<u>5,722</u>	<u>1,256,528</u>	<u>346,491</u>	<u>26,191</u>	<u>(1,236)</u>	<u>41,214</u>	<u>(1,724,443)</u>	<u>(49,533)</u>	<u>1,065</u>	<u>(48,468)</u>
As at 1 April 2024	4,055	1,238,195	2,758	14,400	(1,236)	41,214	(1,704,499)	(405,113)	1,683	(403,430)
Profit for the period	-	-	-	-	-	-	4,364	4,364	(243)	4,121
Other comprehensive income for the period:										
Items that may be reclassified subsequently to profit or loss:										
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	4,364	4,364	(243)	4,121
Issuance of shares	1,667	18,333	-	-	-	-	-	20,000	-	20,000
Recognition of equity component of convertible notes upon issuance and extension of convertible notes	-	-	329,333	26,191	-	-	-	355,524	-	355,524
As at 30 September 2024 (unaudited)	<u>5,722</u>	<u>1,256,528</u>	<u>332,091</u>	<u>40,591</u>	<u>(1,236)</u>	<u>41,214</u>	<u>(1,700,135)</u>	<u>(25,225)</u>	<u>1,440</u>	<u>(23,785)</u>

* The aggregate amount of these balances of approximately HK\$55,255,000 in deficit (31 March 2025: approximately HK\$46,652,000 in deficit) is included as reserves in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the six months ended 30 September 2025

	Six months ended	
	30 September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash (used in)/generated from operating activities	(11,967)	5,144
Investing activities		
Purchase of property, plant and equipment	(5,108)	(8,325)
Other cash flows generated from investing activities	<u>250</u>	<u>508</u>
Net cash used in investing activities	<u>(4,858)</u>	<u>(7,817)</u>
Financing activities		
Proceeds from allotment of shares	–	20,000
Capital injection from non-controlling interests	135	–
Other cash flows used in financing activities	<u>(595)</u>	<u>(1,741)</u>
Net cash (used in)/generated from financing activities	<u>(460)</u>	<u>18,259</u>
Net (decrease)/increase in cash and cash equivalents	(17,285)	15,586
Cash and cash equivalents at the beginning of the period	56,120	48,222
Effects of foreign exchange rate changes	<u>2</u>	<u>18</u>
Cash and cash equivalents at the end of the period	<u><u>38,837</u></u>	<u><u>63,826</u></u>
Analysis of cash and cash equivalents		
Cash and bank balances	<u><u>38,837</u></u>	<u><u>63,826</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office and principal place of business of the Company are located at the offices of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Unit M & N, 8/F, Hi-Speed Centre 1, 18 On Chuen Street, Fanling, New Territories respectively. The substantial shareholder of the Company is Mr. Kan Kwok Cheung, an executive director of the Company. As at the date of this announcement, Mr. Kan Kwok Cheung owns 57.1% issued share capital of the Company and is the controlling shareholder of the Company.

The Company's ordinary shares (the "Share(s)") were listed on GEM of the Stock Exchange on 30 August 2010.

The principal activities of the Company are investment holding. The subsidiaries are engaged in the provision of civil engineering services for the public sector in Hong Kong.

2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2025 (the "Interim Financial Statements") have been prepared in accordance with the Hong Kong Accounting Standards ("HKASs") 34 "Interim Financial Reporting", other relevant Hong Kong Accounting Standards, Interpretations and the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the GEM Listing Rules.

(b) Basis of preparation

The accounting policies and method of the computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual report for the year ended 31 March 2025, except for those related to new standards and interpretations effective for the first time periods beginning on 1 April 2025 and expected to be reflected in the forthcoming annual financial statements.

The Interim Financial Statements have been prepared under the historical cost convention at the end of each reporting period and are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

(c) Going Concern

In preparing the Interim Financial Statements, the Directors have given careful consideration to the future liquidity of the Group notwithstanding that the Group has incurred an unaudited net loss of approximately HK\$8,738,000 during the six months ended 30 September 2025 and, as of that date, the Group had unaudited net current liabilities and unaudited net liabilities of approximately HK\$21,804,000 and HK\$48,468,000 respectively.

The directors of the Company adopted the going concern basis in the preparation of Interim Financial Statements and implemented certain measures in order to improve the working capital and liquidity and cash flow position of the Group:

1. Mr. Kan Kwok Cheung, an executive director and controlling shareholder of the Company, has granted a loan facility up to HK\$60,000,000 (which has not been utilised up to date of announcement) to the Group to maintain the going concern of the Company; and
2. The management is endeavoring to improve the Group's operating results and cash flows through cost control measures and will focus on the existing business of the Group by actively engaged into new construction projects.

In the opinion of the directors of the Company, in light of the various measures/arrangements implemented after the end of the reporting period, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the Interim Financial Statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied, for the first time, the following new and amendments to HKASs and HKFRSs issued by the HKICPA that are relevant for the preparation of the Interim Financial Statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the other new and amendments to HKASs and HKFRSs in the current period has had no material effect on the amounts reported in Interim Financial Statements and/or disclosures set out in Interim Financial Statements.

4. REVENUE

Revenue recognised during the six months ended 30 September 2025 and 30 September 2024 were as follows:

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Construction works	<u>208,273</u>	<u>171,561</u>
Revenue recognised over time	<u>208,273</u>	<u>171,561</u>

5. OTHER INCOME

Other income recognised during the six months ended 30 September 2025 and 30 September 2024 were as follows:

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income	13	87
Sundry income	<u>650</u>	<u>2,963</u>
	<u>663</u>	<u>3,050</u>

6. OTHER GAINS, NET

Other gains, net recognised during the six months ended 30 September 2025 and 30 September 2024 were as follows:

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Exchange gains, net	2	18
Net gains on disposal of property, plant and equipment	233	408
Reversal of/(allowance for) expected credit losses recognised for trade receivables, net	183	(264)
Allowance for expected credit losses recognised for contract assets, net	(23)	(5,487)
Reversal of/(allowance for) expected credit losses recognised for other receivables and deposits, net	14	(4)
Gains on modification of promissory note (<i>note</i>)	—	17,290
	<u>409</u>	<u>11,961</u>

Note:

On 13 June 2024, the Group entered into an extension agreement with the noteholder of the promissory note pursuant to which the maturity date of promissory note was extended from 30 June 2024 to 30 June 2027 and the promissory note will not bear any interest with effect from 1 July 2024 to 30 June 2027 and all accrued and outstanding interest under the promissory notes shall be repaid on the extended maturity date. The fair value of the promissory note, including all accrued and outstanding interest under the promissory notes was reassessed to approximately HK\$34,809,000 at the date of extension and gain on modification of promissory note of approximately HK\$17,290,000 was recognised in profit or loss for the six months ended 30 September 2024.

7. SEGMENT INFORMATION

The Group's segment information is presented on the basis of internal reports that are regularly reviewed by the executive Directors, being the chief operating decision maker ("CODM") in order to allocate resources to the segments and assess their performance.

Specifically, the CODM has determined the Group has only one operating segment as the Group only engaged in provision of civil engineering services – provision of waterworks engineering services, road works and drainage services and site formation works for public sector in Hong Kong. Accordingly, only entity-wide disclosures, major customers and geographical information are presented.

Geographical information

Revenue from external customers of the Group was all derived Hong Kong during the six months ended 30 September 2025 and 30 September 2024.

All non-current assets are located in Hong Kong as at 30 September 2025 and 31 March 2025.

Information about major customers

Revenue from major customers during the six months ended 30 September 2025 and 30 September 2024 were as follows:

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A	70,535	46,949
Customer B	80,683	36,354
Customer C <i>(note (i))</i>	28,011	–
Customer D <i>(note (i))</i>	–	37,313
Customer E <i>(note (i))</i>	–	23,100

Note:

- (i) No information was disclosed as the corresponding revenue did not contribute over 10% of the Group's revenue for the respective period.

8. (LOSS)/PROFIT FROM OPERATIONS

(Loss)/profit from operations is arrived at after charging the following:

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Contract costs recognised as expense	206,087	167,424
Depreciation of property, plant and equipment	4,936	3,606
Depreciation of right-of-use assets	542	1,550
Staff costs (<i>note 9</i>)	<u>60,113</u>	<u>54,239</u>

9. STAFF COSTS

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Staff costs (including Directors' remuneration) comprise:		
Wages, salaries and other benefits	58,996	52,868
Bonus	–	–
Contribution to defined contribution retirement plan	<u>1,117</u>	<u>1,371</u>
	<u>60,113</u>	<u>54,239</u>

10. FINANCE COSTS

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interests on:		
Lease liabilities	42	111
Promissory note	2,654	2,458
Default interest on convertible notes	—	317
	<u>2,696</u>	<u>2,886</u>

11. INCOME TAX

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

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax – Hong Kong profits tax		
– Provision for the period	5	64
Deferred tax		
– Provision for the period	(88)	406
Income tax (credit)/expense	<u>(83)</u>	<u>470</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Company and its subsidiaries incorporated in BVI are not subject to any income tax in the Cayman Islands and the BVI respectively.

Under the prevailing tax law in the PRC, the Enterprise Income Tax rate of the subsidiary of the Company incorporated in the PRC is 25% (2024: 25%).

12. DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: nil).

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculations of basic loss per Share for the six months ended 30 September 2025 is based on the unaudited consolidated loss of approximately HK\$8,603,000 and attributable to the owners of the Company for the six months ended 30 September 2025 (six months ended 30 September 2024: the unaudited consolidated profit of approximately HK\$4,364,000) and the weighted average number of 57,220,166 Shares in issue for the six months ended 30 September 2025 (weighted average number of Shares in issue for the six months ended 30 September 2024: 55,945,120 Shares (restated)) as if they had been in issue throughout the periods.

The calculations of the diluted (loss)/earnings per share for six months ended 30 September 2025 and 30 September 2024 are based on the (loss)/profit for the period attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation are the number of ordinary shares in issue during the period, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted (loss)/earnings per share are based on:

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/earnings		
(Loss)/profit attributable to owners of the Company, used in		
basic (loss)/earnings per share calculation	(8,603)	4,364

Six months ended	
30 September	
2025	2024
(Unaudited)	(Unaudited)
	(Restated)
'000	'000

Number of shares

Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	57,220	55,945
Effect of dilutive potential ordinary shares	—	17,370
Weighted average number of ordinary shares for the purposes of dilutive (loss)/earnings per share	<u>57,220</u>	<u>73,315</u>

Diluted loss per share for the six months ended 30 September 2025 is the same as the basic loss per share. The calculation of the diluted loss per share for the six months ended 30 September 2025 did not assume the conversion of convertible bonds as the effect is anti-dilutive.

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the six months ended 30 September 2024 have been restated in order conform with the calculation and accounting treatment with current's period presentation.

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2025, the Group acquired items of property, plant and equipment with aggregate cost of approximately HK\$5,108,000 (six months ended 30 September 2024: approximately HK\$8,325,000). During the six months ended 30 September 2025, items of property, plant and equipment with carrying value of approximately HK\$5,000 were disposed of (six months ended 30 September 2024: approximately HK\$53,000).

15. TRADE AND OTHER RECEIVABLES

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Trade receivables (<i>Note (i)</i>)	18,783	24,237
Allowance for expected credit losses ("ECL")	<u>(206)</u>	<u>(389)</u>
	18,577	23,848
Other receivables	609	443
Deposits	4,125	5,182
Allowance for expected credit losses ("ECL")	<u>(25)</u>	<u>(39)</u>
	4,709	5,586
Prepayment (<i>Note (ii)</i>)	<u>43,327</u>	<u>53,998</u>
	66,613	83,432
Less: Trade and other receivables within twelve months shown under current assets	<u>(66,613)</u>	<u>(82,047)</u>
Deposits shown under non-current assets	<u><u>–</u></u>	<u><u>1,385</u></u>

Notes:

- (i) Trade receivables as at the end of the reporting period mainly derived from provision of construction works on civil engineering contracts. The related customers are mainly government department/organisation and reputable corporations. The Group does not hold any collateral over these balances.

An aging analysis of the trade receivables as of the end of the reporting period, based on the invoice date and net of allowance of ECL, is as follows:

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Current or less than 1 month	<u>18,577</u>	<u>23,848</u>
	<u>18,577</u>	<u>23,848</u>

The Group grants an average credit period of 30 days (31 March 2025: 30 days) to its trade customers of contract works. Application for progress payments of contract works is made on a regular basis.

- (ii) As at 30 September 2025, prepayments mainly comprised of advance payment to subcontractors of approximately HK\$25,794,000 (31 March 2025: HK\$32,187,000) and prepaid insurance of approximately HK\$17,267,000 (31 March 2025: HK\$21,339,000).

16. TRADE AND OTHER PAYABLES

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Trade payables	28,108	30,181
Retention money payables	37,837	35,348
Other payables and accruals (<i>note (i)</i>)	<u>28,418</u>	<u>29,003</u>
	<u>94,363</u>	<u>94,532</u>

Notes:

- (i) As at 30 September 2025, the other payables mainly comprised of amount due to other parties of joint operations of approximately HK\$9,020,000 (31 March 2025: HK\$9,020,000). The amounts are unsecured, interest-free and repayable on demand.

The Group normally settles trade payables within 30 days (31 March 2025: 30 days) credit term. Based on the invoice date, ageing analysis of trade payables at the end of the reporting period is as follows:

	As at 30 September 2025 (Unaudited) <i>HK\$'000</i>	As at 31 March 2025 (Audited) <i>HK\$'000</i>
Current or less than 1 month	22,138	17,855
More than 1 month but less than 3 months	–	270
More than 3 months but less than 12 months	55	9,279
More than 12 months	5,915	2,777
	28,108	30,181

17. SHARE CAPITAL

	Number of Shares	Nominal value <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.1 each as at 1 April 2025 and 30 September 2025 (Unaudited)	5,000,000,000	500,000
Issued and fully paid:		
Ordinary shares of HK\$0.1 each as at 1 April 2025 and 30 September 2025 (Unaudited)	57,220,166	5,722

18. MATERIAL RELATED PARTY TRANSACTIONS

During the reporting period, the Group entered into the following related party transactions:

Related party relationship	Type of transaction	Transaction amount	
		Six months ended	
		30 September	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
A Company that is beneficially owned by Mr. Kan Kwok Cheung, the director and controlling shareholder of the Company	Rental expenses	318	265

The Directors considered that the above related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the provision of civil engineering services for the public sector in Hong Kong. During the six months ended 30 September 2025 (the “Period”), the Group continued to focus on rendering civil engineering services for the public sector in Hong Kong.

Major projects awarded and undertaken

During the Period, the Group has been undertaking four contracts. Among the four contracts, one of these are related to provision of waterworks engineering services and the remaining contracts are related to provision of drainage services and site formation. Details of the contracts undertaken are set out below:

	Contract number	Particulars of contract
Subcontracts	ND/2018/02	The Establishment of an Agricultural Pak in Kwu Tung South (Phase 1)
Joint Operations	ND/2018/02	The Establishment of an Agricultural Pak in Kwu Tung South (Phase 1)
	4/WSD/19	Development of Anderson Road Quarry site – construction of grey water treatment plant
	CV/2022/08	Site Formation and Infrastructure Works at Area 48, Fanling
	ND/2024/06	Fanling North New Development Area, Remaining Phase: Fresh Water and Flushing Water Service Reservoirs and Associated Works

During the Period, the two contracts with contract numbered CV/2022/08 and ND/2024/06 were the main contributors to the Group’s revenue, which generated approximately HK\$111.6 million and HK\$64.3 million, constituting approximately 53.6% and 30.9% of the Group’s revenue respectively.

Financial Review

Revenue

During the Period, the Group reported a revenue of approximately HK\$208.3 million (2024: approximately HK\$171.6 million), representing an increase of approximately 21.4% as compared with that for the same period of the previous year. Although certain projects have been substantially completed in last financial period, certain existing projects entered the peak construction period successively, which led to an increase in revenue contribution.

During the Period, the revenue of the Group was primarily generated from the undertaking of civil engineering contracts in the capacity of a subcontractor. The subcontracting revenue generated from undertaking in capacity of a subcontractor amounted to approximately HK\$123.0 million (2024: approximately HK\$87.3 million), representing approximately 59.1% of the total revenue for the Period (2024: approximately 51.0%). On the other hand, the revenue generated from the undertaking of civil engineering contracts in the capacity of a main contractor and a jointly controlled operator amounted to approximately HK\$85.3 million (2024: approximately HK\$84.3 million), representing approximately 40.9% (2024: approximately 49.0%) of the total revenue for the Period.

Cost of services

The Group's cost of services increased by approximately 23.1% to approximately HK\$206.1 million for the Period (2024: approximately HK\$167.4 million) as compared with that for the same period of the previous year. The Group's cost of services mainly includes costs of construction services. Costs of construction services mainly comprise raw materials, direct labour and subcontracting fee for services provided by the subcontractors. The increase in cost of services was mainly due to overall increase in work orders of existing projects at peak construction stage during the Period, which is in line with the increase in revenue.

Gross profit

The gross profit for the Group for the Period decreased by approximately 47.2% to approximately HK\$2.2 million (2024: approximately HK\$4.1 million) as compared with that for the same period of the previous year. The gross profit margin of the Group amounted to approximately 1.1% (2024: approximately 2.4%) for the Period. The decrease in gross profit was mainly due to the outpacing of the cost of services over the sales growth which arose from (i) the extra construction costs employed from certain civil engineering projects reaching maintenance period or nearly completion stage and (ii) increase in costs associated with variation works from projects.

Other income

The Group's other income for the Period decreased by approximately 78.3% to approximately HK\$0.7 million (2024: approximately HK\$3.1 million) as compared with that for the same period of the previous year. The other income mainly consisted of interest income and sundry income during the Period.

Other gains, net

The Group's other gains, net for the Period decreased by approximately 96.6% to approximately HK\$0.4 million (2024: other gains of approximately HK\$12.0 million) as compared with that for the same period of the previous year. The decrease in other gains, net was mainly due to net effect of (i) the absence of one-off recognition of gains on modification of promissory note of approximately HK\$17.3 million due to extension of maturity date of promissory note recognized during the six months ended 30 September 2024 and (ii) significant decrease in provision of expected credit losses for the Period.

Administrative and operating expenses

The Group's administrative and operating expenses for the Period decreased by approximately 19.6% to approximately HK\$9.4 million (2024: approximately HK\$11.7 million) as compared with that for the same period of the previous year. The administrative expenses mainly consisted of legal and professional fees, staff costs (including Directors' remuneration) and depreciation expenses. The decrease in administrative expenses was mainly due to the absence of legal and professional fee paid for the special deals such extension and issuance of convertible notes, share consolidation and change of names during the six months ended 30 September 2024.

Finance costs

The Group's finance costs for the Period decreased by approximately 6.6% to approximately HK\$2.7 million (2024: approximately HK\$2.9 million) as compared with that for the same period of the previous year. The finance costs mainly consisted of interest expenses for the promissory note.

Impairment assessment of trade and other receivables and contract assets

The Group made a reversal of expected credit losses allowance of approximately HK\$183,000 (2024: provision of approximately HK\$264,000) and provision of approximately HK\$23,000 (2024: approximately HK\$5.5 million) for trade receivables and contract assets respectively based on the impairment assessment for the Period. According to the policy of impairment provision of receivables of the Group, the Group: (i) has decided the receivable portfolio by using aging as the credit risk characteristics, and has made provisions for doubtful debts for trade receivables and other receivables based on the aging analysis approach, and (ii) has sorted the customers against whom the provisions for doubtful debts has been made, and has estimated the expected credit loss, taking into account the recoverability of certain receivables, in order to estimate the impairment provisions for receivables. The overall decrease in provision of expected credit losses for the Period was mainly due to the significant decrease in provision of expected credit losses on trade receivables and contract assets on a credit-impaired customer of approximately HK\$5.8 million previously recognised during the six months ended 30 September 2024.

Net (loss)/profit

The net loss of the Group for the Period amounted to approximately HK\$8.7 million (2024: profit of approximately HK\$4.1 million). The turnaround from net profit to net loss for the Period was mainly due to net effect of (i) the absence of one-off recognition of gain on modification of promissory note, (ii) decrease in gross profit and (iii) partially offset by the decrease in provision of expected credit loss.

(Loss)/earnings per Share

The basic loss per Share attributable to the owners of the Company was approximately HK15.0 cents (2024: basic earnings per share of approximately HK7.8 cents (restated)).

Prospects

Looking forward, the construction industry still faces significant challenges, primarily driven by the Hong Kong Government's diminishing fiscal reserves, stringent expenditure controls, sluggish economic recovery, reduced in public infrastructure activity and other unfavorable market conditions. The growing number of participants in Hong Kong market has also intensified the competitive environment which would result in a decreasing number of successful tenders awarded to the Group. The Group was compelled to tender contracts at low gross profit margins and suffered from the dilemma between winning tenders at extremely thin gross profit margins and submitting tenders at a reasonable gross profit margin, which exists in every tender opportunity.

Under the atmosphere of continuous increase of construction cost, profit margin is reducing and the operating environment is becoming more difficult. To navigate these challenges effectively, the Group will continue prioritizing public sector construction projects and government-backed contracts and remain cautious, focusing on existing projects. In addition, the Group will implement additional cost control measures, such as optimizing direct labor costs and controlling subcontracting fees, to mitigate the onslaught of the abovementioned challenges. The Group is proactively adjusting its strategies to address financial constraints and regulatory changes and therefore the management team remains optimistic about the future.

Capital Structure

The Shares were listed on GEM of the Stock Exchange on 30 August 2010. The capital of the Group comprises only ordinary shares.

Total equity attributable to the owners of the Company amounted to approximately HK\$49.5 million in deficit as at 30 September 2025 (31 March 2025: approximately HK\$40.9 million). The decrease in equity was mainly due to the net loss for the Period.

Liquidity and Financial Resources

During the Period, the Group generally financed its operations through internally generated cash flows.

As at 30 September 2025, the Group had net current liabilities of approximately HK\$21.8 million (31 March 2025: approximately HK\$17.2 million), including cash balance of approximately HK\$38.8 million (31 March 2025: approximately HK\$56.1 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 0.84 as at 30 September 2025 (31 March 2025: approximately 0.90).

Gearing Ratio

The gearing ratio, which is based on the total amount of promissory note, lease liabilities and contract liabilities divided by total assets, was approximately 57.5% as at 30 September 2025 (31 March 2025: approximately 60.5%).

Foreign Exchange Exposure

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity. During the Period, the Group was mainly exposed to foreign currency exchange risk of Renminbi and the management mainly monitored the foreign currency exchange risk with advices from the Group's major banks.

Capital Commitment

As at 30 September 2025, the Group did not have any significant capital commitment.

As at 31 March 2025, the Group had a total capital commitment of approximately HK\$2.6 million, contracted for but not provided for in the financial statements in respect of acquisition of property, plant and equipment.

Charges on the Group's Assets

As at 30 September 2025 and 31 March 2025, the Group did not have any assets held under finance lease.

Contingent Liabilities

As at 30 September 2025, the Group did not have any material contingent liabilities (31 March 2025: Nil).

Dividends

The Board does not recommend the payment of any dividend for the Period.

Information on Employees

As at 30 September 2025, the Group had 221 full-time employees in Hong Kong and over 90% of them are direct labour. Total staff costs (including Directors' remuneration) for the Period amounted to approximately HK\$60.1 million (2024: approximately HK\$54.2 million), representing an increase of approximately 10.8% over that for the previous year.

Remuneration is determined with reference to the nature of job, performance, qualifications and experience of individual employees, as well as the result of the Group and the market trend. The Group carries out staff performance appraisal once a year and the assessment result is used for salary reviews and promotion decisions. The Group recognises the importance of staff training and thus regularly provides internal and external training for its staff to enhance their skills and knowledge.

Significant Investment Held

Except for investment in subsidiaries, during the Period and as at the end of the reporting period, the Group did not hold any significant investment in equity interest in any company.

Future Plans for Material Investments and Capital Assets

As at 30 September 2025, the Group did not have other plans for material investments and capital assets (31 March 2025: Nil).

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the Period, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Share Option Scheme

A share option scheme was adopted and approved by the shareholders of the Company on 11 August 2010. The share option scheme expired on 10 August 2020. No share options have been granted pursuant to the share option scheme during the Period.

The Board has resolved to propose the adoption of a new share option scheme for the approval by the shareholders of the Company. The purpose of the new share option scheme is to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.

The new share option scheme will constitute a share option scheme under Chapter 23 of the GEM Listing Rules. The Board will propose the new share option scheme for shareholders' approval at a general meeting of the Company to be convened in due course for the purposes of, among other things, seeking the approval from the shareholders of the Company for the adoption of the share option scheme and authorising the Board to grant the share options pursuant to the share option scheme and to allot and issue the shares of the Company pursuant to the exercise of the share options. At the date of this announcement, the new share option scheme remains subject to the obtaining of (i) the approval from the shareholders of the Company at a general meeting of the Company to be convened in due course; and (ii) the approval from the Stock Exchange for the listing and trading of any Shares to be issued under the share options that may be granted under the new share option scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which have 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 in which they are taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long position in the Shares:

Name	Number of shares			Total	Percentage of aggregate interests to total issued share capital
	Beneficial interests	Spouse	Interest in controlled corporation		
Mr. Kan Kwok Cheung (Note a)	16,666,666	–	16,013,327	32,679,993	57.1%
Ms. Lam Shun Kiu Rosita (Note b)	–	32,679,993	–	32,679,993	57.1%

Note:

- (a) Mr. Kan Kwok Cheung is the sole beneficial owner of Shunleetat (BVI) Limited, which was interested in 16,013,327 Shares. Under the SFO, Mr. Kan Kwok Cheung is deemed to be interested in all the Shares held by Shunleetat (BVI) Limited.
- (b) Mr. Lam Shun Kiu Rosita is the spouse of Mr. Kan Kwok Cheung. Accordingly, Mr. Lam Shun Kiu Rosita is deemed to be interested in the 32,679,993 shares held by Mr. Kan Kwok Cheung.

Saved as disclosed above, as at 30 September 2025, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or 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 they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

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

So far as was known to the Directors, as at 30 September 2025, the following persons/entities (other than the Directors or chief executive of the Company) had, or are deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who/which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO with details as follows:

Long position in the Shares:

Name	Number of Shares held	Number of underlying Shares under convertible notes (<i>Note a</i>)		Total interests	Percentage of aggregate interests to total issued share capital
	Beneficial owner	Beneficial owner	Interest in controlled corporation		
Shunleetat (BVI) Limited	16,013,327	–	–	16,013,327	28.0%
China Xinhua News Network Co. Limited ("China Xinhua NNC")	–	17,688,018 (<i>Note b</i>)	–	17,688,018	30.9%
中國新華新聞電視網有限公司 ("CNC China")	–	–	17,688,018 (<i>Note b</i>)	17,688,018	30.9%

Notes:

- (a) Details of the convertible notes were set out in the circulars of the Company dated 19 November 2011, 6 January 2015, 17 January 2018, 16 January 2019, 18 May 2021 and 15 March 2024 and the announcement of the Company dated 18 June 2024.
- (b) China Xinhua NNC is wholly and beneficially owned by CNC China. Accordingly, CNC China is deemed to be interested in 17,688,018 underlying Shares held by China Xinhua NNC under the SFO.
- (c) The percentage of aggregate interests to total issued share capital is calculated based on the number of shares in issue as at the 30 September 2025 (i.e. 57,220,166 Shares).

Saved as disclosed above, as at 30 September 2025, the Directors were not aware of any other person/entity (other than the Directors or chief executive as disclosed in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations" above) who/which had, or is deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who/which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this announcement, none of the Directors and their respective associates including spouses and children under 18 years of age was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right during the Period.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares.

CONNECTED TRANSACTIONS

Save as disclosed in the Interim Finance Statements, none of the Directors, controlling shareholders and their respective associates has any other conflict of interests with the Group during the Period.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the Period under review. The Company was not aware of any non-compliance in this respect during the Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and enhance the performance of the Group. The Company has applied the principles and code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code during the Period, except paragraphs C.1.5 of the Code. This announcement further illustrates in detail as to how the Code was applied, inclusive of the considered reasons for any deviation throughout the Period.

Paragraph C.1.5 of the Code requires that independent non-executive directors and non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. A non-executive Director, namely Ms. Lam Shun Kiu Rosita, did not attend the annual general meeting of the Company held on 29 September 2025 due to pre-arranged business engagements. Other Board members and the chairmen of the relevant Board committees also attended the extraordinary general meeting to inter-face with, and answer questions from the Shareholders.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 11 August 2010 with terms of reference in compliance with paragraph D.3.3 of the Code. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the financial statements and the quarterly, interim and annual reports of the Group, and reviewing the terms of engagement and scope of audit work of the external auditors.

As at the date of this announcement, the members of the Audit Committee were Mr. Chin Chi Ho Stanley, Mr. Wong Chung Yip Kenneth and Mr. Lai Ah Ming Leon. Mr. Chin Chi Ho Stanley was the chairman of the Audit Committee. The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the Period and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

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

Hong Kong, 17 November 2025

As at the date of this announcement, the Directors are Mr. Kan Kwok Cheung¹ (Chairman), Mr. Hui Ka Tsun¹, Mr. Kan Chun Ting Max¹, Ms. Lam Shun Kiu Rosita², Mr. Chin Chi Ho Stanley³, 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 will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at <http://www.tsunyip.hk>.