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FINANCIAL HIGHLIGHTS

	(Unaudited)		Change %
	For the six months ended 30 September		
	2024 HK\$'000	2023 HK\$'000	
Operating results:			
Revenue	2,594,448	2,753,733	-5.8%
Gross profit	744,623	720,488	3.3%
Gross profit margin	28.7%	26.2%	2.5%
Operating profit	216,520	272,858	-20.6%
Operating profit margin	8.3%	9.9%	-1.6%
Profit for the period	165,923	205,202	-19.1%
Net profit margin	6.4%	7.5%	-1.1%
Return on equity (annualised)	8.2%	12.9%	-4.7%

	HK cents	HK cents	
Basic and diluted earnings per share	10.9	14.9	-26.8%

	(Unaudited)	(Audited)	Change %
	At 30 September	At 31 March	
	2024 HK\$'000	2024 HK\$'000	
Financial position:			
Total assets	11,145,412	10,905,823	2.2%
Net assets	4,049,114	4,016,099	0.8%
Net current assets	3,329,619	3,475,338	-4.2%
Cash and cash equivalents	1,746,722	2,375,176	-26.5%
Total borrowings	1,709,041	1,792,919	-4.7%

CORPORATE INFORMATION

As at 29 November 2024

BOARD OF DIRECTORS

Executive Directors

Ms. Chong Siw Yin (*Chairperson*)
Mr. Liu Zhuo Ming (*Chief Executive Officer*)
Mr. Tse Siu Sze

Independent Non-executive Directors

Dr. Low Seow Chay
Dr. Lui Ming Wah, *SBS, JP*
Mr. Tsang Yiu Keung, Paul
Mr. Look Andrew

COMPANY SECRETARY

Ms. Ng Ka Man

AUTHORISED REPRESENTATIVES

Ms. Chong Siw Yin
Ms. Ng Ka Man

AUDIT COMMITTEE

Mr. Tsang Yiu Keung, Paul (*Chairperson*)
Dr. Lui Ming Wah, *SBS, JP*
Dr. Low Seow Chay
Mr. Look Andrew

NOMINATION COMMITTEE

Mr. Look Andrew (*Chairperson*)
Dr. Low Seow Chay
Dr. Lui Ming Wah, *SBS, JP*
Mr. Tsang Yiu Keung, Paul

REMUNERATION COMMITTEE

Dr. Lui Ming Wah, *SBS, JP* (*Chairperson*)
Mr. Tsang Yiu Keung, Paul
Dr. Low Seow Chay
Mr. Look Andrew

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 8th Floor
Mai Wah Industrial Building
1-7 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Bank of China
Intesa Sanpaolo Spa

STOCK CODE

558

WEBSITE

www.lk.world



MANAGEMENT DISCUSSION AND ANALYSIS

I. MACROECONOMIC AND INDUSTRY DEVELOPMENT TRENDS

In 2024, the global macroeconomic landscape showed a complex development trend with a dynamic rebalancing of the international trading system. While some of the major economies have demonstrated a certain degree of resilience, several economies are still facing challenges in varying degrees, such as lowering inflation, increasing policy uncertainty, and insufficient momentum for global economic growth. Looking at the current economic situation, the industry's capital expenditure has experienced cyclical fluctuations during the Reporting Period, and the long-term trend of the industry remains stable and positive with the inflation receding and policy support.

According to the latest World Economic Outlook Report released by the International Monetary Fund (IMF), the global average inflation rate is projected to be 5.8% in 2024, and will further decline to 4.3% in 2025. This forecast suggests that inflationary pressure is expected to continue to ease, which will boost consumer purchasing power. In addition, with further easing of monetary policy and lower funding costs for businesses and individuals, investment and consumption sentiments are expected to revive, showing signs of picking up of market in the second half of the year.

The Guidance Catalogue for Industrial Structure Adjustment (2024 Edition) has come into effect from 1 February 2024, which encourages the application of lightweight automotive materials (e.g., high-strength aluminum alloys, magnesium alloys, high-strength composite plastics, etc.) and advanced forming technologies (e.g. integrated die-casting).

With the increasing requirements by new energy vehicles for body structure optimisation and parts integration, lightweight has become a key direction of automobile design. Integration die-casting technology, as an essential part of lightweight technology, can significantly reduce the weight of auto parts, and improve production efficiency and cost-efficiency. As announced by China Association of Automobile Manufacturers on 14 November 2024, China's annual output of new energy vehicles exceeded 10 million units for the first time. In the field of new energy vehicles, "replacing steel with aluminum", "replacing aluminum with magnesium" and the use of high-strength composite plastics have become essential development trends, presenting new opportunities for the industry's development.

II. PERFORMANCE AND ANALYSIS OF THE COMPANY

Notwithstanding the combined effect of multiple factors such as complex global economic situation, decelerating economic growth, high inflationary pressure and increasing international trade barriers, the Company's business performance demonstrated a certain degree of resilience. For the first half of FY2024/2025, the Company's revenue amounted to HK\$2,594.4 million, representing a period-on-period decrease of 5.8%. The profit attributable to equity holders of the Company amounted to HK\$148.4 million, representing a period-on-period decline of 27.7%. The gross profit margin was 28.7%, representing a period-on-period increase of 2.5%; the operating profit margin was 8.3%, representing a period-on-period drop of 1.6%; and the net profit margin was 6.4%, representing a period-on-period reduction of 1.1%. During the Reporting Period, revenue generated from the die-casting machine business amounted to HK\$1,622.8 million, representing a period-on-period decrease of 18.7%; revenue generated from the plastic injection moulding machine business amounted to HK\$881.3 million, representing a period-on-period growth of 30.1%; and revenue generated from the CNC machining centre amounted to HK\$90.4 million, representing a period-on-period increase of 13.7%.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Die-casting machine business shows resilience, opening a new chapter of dual development in expansion and innovation

During the Reporting Period, the Company recorded a revenue of HK\$1,622.8 million from its die-casting machine business, representing a period-on-period decrease of 18.7%. Under the current market conditions, the Company has adopted multi-pronged measures to guarantee long-term development of and achieve breakthroughs in its die-casting machine business.

In terms of business expansion, the Company achieved a major breakthrough during the Reporting Period through approaching various new energy vehicle original equipment manufacturers (OEMs) and reaching cooperation intention with them, which includes its cooperation with a leading OEM in new energy vehicle sector who has significant presence in southern part of China and globally. The proactive layout and cooperation intention of downstream customers on integrated die-casting will hopefully become a strong driver of new growth in the Company's future revenue. At the same time, the overseas expansion of downstream customers will also be conducive to broadening the Company's market space in the future.

In terms of technological innovation, the Company continued to carry out the R&D of the dual injection die-casting machine with a tonnage of over 10,000 tonnes and the TPI semi-solid magnesium alloy die-casting machine during the Reporting Period, both pioneering the industry. The dual injection die-casting machine with a tonnage of over 10,000 tonnes can be used in the production of integrated chassis of new energy vehicles, while modules adapted for the TPI semi-solid magnesium alloy technology can flexibly convert aluminum alloy die-casting machines to semi-solid magnesium alloy die-casting machines, effectively addressing customers' needs in different stages, thereby opening up new opportunities and directions for the development of the die-casting machine business under the current complex situation.

2. Driven by procyclical diversification, plastic injection moulding machines reached new value peaks with high-end products

The Company's plastic injection moulding machines are primarily used in the production of automotive parts, household appliances, 3C electronics and communications, as well as consumer products. In the first half of FY2024/2025, the Company's revenue from plastic injection moulding machines reached HK\$881.3 million, representing a year-on-year growth of 30.1%, which was mainly attributable to the recovery in the plastic injection moulding machine industry, the rebound in demand and the support by a range of policies.



MANAGEMENT DISCUSSION AND ANALYSIS

The Chinese government has designated 2024 as the “Year of Consumption Promotion,” creating a favourable environment for industry development through a dual approach featuring “policies + activities” to stimulate consumption potential, expand consumption scale, and improve quality of consumption. In March 2024, the State Council issued the “Action Plan for Promoting Large-Scale Equipment Renewal and Consumer Goods Trade-in” (《推動大規模設備更新和消費品以舊換新行動方案》), which clearly outlined the “four key initiatives”: equipment upgrading, consumer goods trade-in, recycling & reuse, and standard improvements. These measures have significantly boosted market demand. Meanwhile, the implementation of the trade-in subsidy policy has effectively stimulated the consumption potential of the market and bolstered the demand for plastic injection moulding machines. Against this backdrop, the Company actively responded to the policy, helping its corporate customers to accelerate equipment and capacity upgrading. Sales of the high-capacity, hinged POTENZA and FORZA series as well as the electric motor ELETTRICA series injection moulding machines have seen a substantial increase.

Under the combined effect of the industry’s recovery, policy support, and the demand for lightweight components in new energy vehicles, the Company’s plastic injection moulding machine business has shown steady revenue growth in the automotive and 3C electronics and communications sectors, with year-on-year growth rates of approximately 15% and 7%, respectively. In the toys, consumer goods, home appliances, and medical supplies sectors, revenue has seen even stronger growth, with year-on-year growth rates of approximately 130%, 84%, 54%, and 76%, respectively.

3. Strategic adjustment of CNC machining centres achieving initial results

During the Reporting Period, the Company restructured the management team of its CNC machining centre business, and the CNC business recorded a revenue of HK\$90.4 million, representing an improvement of 13.7% compared to the same period last year. This initiative suggests that the Company’s strategic adjustment of the CNC machining centre business has achieved initial results with enhanced competitiveness of the Company’s business, thereby boosting the revenue of the business. In the future, the Company will further adjust the management team to improve management effectiveness based on the actual operation situation.

III. OUTLOOK

1. Deepening global 2.0 strategy to expand our global presence

As a global enterprise, the Company will continue to deepen the layout of its global 2.0 strategy, actively expanding its global presence in addition to the existing production bases. The Company has now successfully set up production bases in the United States, Japan, Mexico, and Europe, and has commenced operation of its sales networks and ancillary service centres for its main businesses in Southeast Asia, such as Thailand.

Under the background of deglobalisation, the reconstruction of the global industrial chain towards localisation brings new market opportunities. The Company will speed up the layout of overseas bases and continue to expand its global presence, providing all-round localised support and empowerment for corporate customers and major automobile manufacturers.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Positive response to customised production simulation that support further business development with precision

The Company has built the world's largest die-casting test mould production centre with a capacity of over 10,000 tonnes in Hangzhou Bay, and is committed to creating customised production services for customers. During the customised production simulation, we provide highly customised production arrangement simulation services to accurately simulate production line layouts and equipment configurations based on specific market demands, thereby generating comprehensive production solutions. Currently, the Company has launched its customised production simulation project, receiving positive response from downstream enterprises and proving an initial success. Looking ahead, in order to accomplish the long-term development objectives of achieving mutual benefit and win-win situation, the Company will continue to increase the promotion of customised production simulation services, create more diversified development opportunities and possibilities for customers, and work together with customers to explore the innovative boundaries of the production model of the manufacturing industry.

3. Creating a synergistic development layout to promote technological innovation and development

The Company's business direction is driven by the needs of industry development. During the industry demand fluctuation cycle, the Company will make technological reserve in advance, analyse and plan for future market development, integrate resources and plan for new technologies and supply chains, and implement foreign industrial investments. By utilising inter-industry synergies and expanding the market through effective integration, it is hoped to boost future revenue growth of the Company's business, strengthen our position as an industry leader, and guide the industry to new heights.

In response to the industry development opportunity of the transformation, upgrading and structural adjustment of the automobile industry, the Company will continue to plough into the field of automotive lightweight with forward-looking layout and explore the R&D and application of magnesium alloy, aluminum alloy and high-performance composite materials, with a view to leading the new direction of future manufacturing of new energy vehicles and promoting the innovation and progress of the manufacturing technology of automobiles.



MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The working capital of the Group was generally financed by internal cash flows generated from its operation and existing banking facilities. As at 30 September 2024, the Group's cash and cash equivalents amounted to HK\$1,746.7 million (31 March 2024: HK\$2,375.2 million).

The gearing ratio of the Group is measured as total borrowings net of cash and cash equivalents divided by total equity. The Group had a net cash position as at 30 September 2024. As a result, no gearing ratio was presented.

As at 30 September 2024, the capital structure of the Company was constituted exclusively of 1,364,391,500 ordinary shares of HK\$0.1 each. The total amount of outstanding borrowings was HK\$1,709.0 million (31 March 2024: HK\$1,792.9 million), approximately 86.8% (31 March 2024: 86.9%) of which being short-term loans. Approximately 39.9% (31 March 2024: 36.1%) of the total borrowing was subject to interest payable at fixed rates.

PLEDGE OF ASSETS

As at 30 September 2024, the Group's banking facilities and financial guarantee contracts were secured by the assets of the Group, including restricted bank balances, right-of-use assets, investment properties, property, plant and equipment, bills receivables and other receivables, with aggregate carrying amounts of HK\$1,116.7 million (31 March 2024: HK\$888.3 million).

CAPITAL COMMITMENTS

As at 30 September 2024, the Group had capital commitments in respect of acquisition of property, plant and equipment contracted but not provided in the consolidated financial information amounting to HK\$536.1 million (31 March 2024: HK\$399.4 million).

STAFF AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed 5,294 full-time staff. The staff costs for the Period under Review amounted to HK\$544.4 million (2023: HK\$511.4 million). The remuneration policies of the Group are determined based on market trends, future plans, and the performance of individuals. In addition, the Group also provides other staff benefit such as mandatory provident fund, state-managed social welfare scheme, share option scheme and share award scheme.

On 24 September 2021, the Company granted an aggregate of 27,540,000 share options (the "Share Options") to 390 employees of the Group. Details of the above grant of the Share Options are set out in the announcement dated 24 September 2021.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 30 September 2024, 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 any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of SFO (including any interests which were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange, were as follows:

Name of Director/ chief executive	Name of company	Capacity	Number of shares held	Approximate percentage of shareholding
Ms. Chong Siw Yin ("Ms. Chong")	the Company	Beneficiary of a trust	849,078,004 ⁽¹⁾ Long position	62.23%
	the Company	Beneficial owner	3,105,000 ⁽²⁾ Long position	0.23%
	the Company	Interest of spouse	5,722,750 ⁽³⁾ Long position	0.42%
Mr. Liu Zhuo Ming	the Company	Beneficiary of a trust	849,078,004 ⁽⁴⁾ Long position	62.23%
	the Company	Beneficial owner	1,000,000 ⁽⁵⁾ Long position	0.07%
Mr. Tse Siu Sze ("Mr. Tse")	the Company	Interest of spouse	50,000 ⁽⁶⁾ Long position	0.004%

Notes:

- These 849,078,004 shares are owned by Girgio Industries Limited ("Girgio"). Girgio is owned as to 95% by Full Profit Asset Limited which is wholly-owned by HSBC International Trustee Limited (as trustee of The Liu Family Trust, in which Ms. Chong, Mr. Liu Zhuo Ming and Miss Liu Ying Ying are the beneficiaries of The Liu Family Trust) and 5% by Mr. Liu Siang Song ("Mr. Liu"), the spouse of Ms. Chong.
- 3,105,000 underlying shares held by Ms. Chong, 300,000 of which are held by virtue of the interests in the share options of the Company granted to her on 24 September 2021.
- These 5,722,750 shares are beneficially owned by Mr. Liu.
- Mr. Liu Zhuo Ming is deemed to be interested in the 849,078,004 shares held by Girgio as a beneficiary of The Liu Family Trust. Mr. Liu Zhuo Ming is the son of Mr. Liu and Ms. Chong.
- 1,000,000 underlying shares are held by Mr. Liu Zhuo Ming by virtue of the interests in the share options of the Company granted to him on 24 September 2021.
- 50,000 underlying shares are held by Mr. Tse by virtue of the interests in the share options of the Company granted to his spouse on 24 September 2021.



OTHER INFORMATION

Long position in shares of associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of shareholding
Mr. Tse Siu Sze	LK Injection Molding Machine Co., Ltd. (廣東力勁塑機製造股份有限公司)	Beneficial owner	6,011,031 Long position	2.62%

Save as disclosed above, as at 30 September 2024, none of the Directors and chief executive of the Company had registered any interest or short position in the 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, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND LONG POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 September 2024, according to the relevant disclosure of the interest information as shown on the HKExnews website of HKEx and the register kept by the Company under Section 336 of the SFO, the following companies and persons, other than the Directors and chief executive of the Company, had long positions of 5% or more in the Shares and underlying Shares of the Company:

Name	Capacity	Number of shares held	Approximate percentage of shareholding
Girgio	Beneficial owner	849,078,004 ⁽¹⁾ Long position	62.23%
Mr. Liu	See Note ⁽²⁾	849,078,004 ⁽²⁾ Long position	62.23%
	See Note ⁽²⁾	3,105,000 ⁽²⁾ Long position	0.23%
	Beneficial owner	5,722,750 Long position	0.42%
HSBC International Trustee Limited	See Note ⁽³⁾	848,078,004 ⁽³⁾ Long position	62.16%

OTHER INFORMATION

Notes:

1. These 849,078,004 shares are owned by Girgio. Girgio is owned as to 95% by Full Profit Asset Limited which is wholly-owned by HSBC International Trustee Limited (as trustee of The Liu Family Trust, in which Ms. Chong, Mr. Liu Zhuo Ming and Miss Liu Ying Ying are the beneficiaries of The Liu Family Trust) and 5% by Mr. Liu.
2. Mr. Liu is the spouse of Ms. Chong and is deemed to be interested in the shares held by Ms. Chong. Besides, Mr. Liu holds 5% interest in Girgio.
3. HSBC International Trustee Limited is the trustee of The Liu Family Trust. The Liu Family Trust was established by Mr. Liu on 22 February 2002 and amended and restated on 3 December 2021 for the benefit of Ms. Chong and the children of Mr. Liu and Ms. Chong. HSBC International Trustee Limited as trustee of The Liu Family Trust owns 95% interest in the Company by the virtue of its shareholding in Full Profit Asset Limited.

Save as disclosed above, the Directors of the Company were not aware of any persons (who were not directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who has interest in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred therein.



OTHER INFORMATION

SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was adopted pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 8 September 2016 and would remain in force for a period of 10 years.

On 24 September 2021, the Company granted an aggregate of 27,540,000 share options to 390 employees of the Group under the Share Option Scheme. Movements in the outstanding share options of the Company granted under the Share Option Scheme during the six months ended 30 September 2024 (“Interim Period”) were as follows:

Name	Date of grant	Closing price per share immediately before date of grant HK\$	Exercise price per share HK\$	Number of share options					Balance outstanding as at 30 September 2024	No. of share option during the vesting period ⁽³⁾	No. of share options exercisable during the exercisable period ⁽³⁾
				Balance outstanding as at 1 April 2024	Granted during the Interim Period	Exercised during the Interim Period	Lapsed during the Year	Cancelled during the Year			
Directors											
Ms. Chong Siw Yin	24 September 2021	18.9	19.86	120,000	-	-	-	-	120,000	120,000	120,000
										24 September 2021 to 24 September 2023	(25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	90,000	-	-	-	-	90,000	90,000	90,000
										24 September 2021 to 24 September 2024	(25 September 2024 to 23 September 2031)
	24 September 2021	18.9	19.86	90,000	-	-	-	-	90,000	90,000	90,000
										24 September 2021 to 24 September 2025	(25 September 2025 to 23 September 2031)
Mr. Liu Zhuo Ming	24 September 2021	18.9	19.86	400,000	-	-	-	-	400,000	400,000	400,000
										24 September 2021 to 24 September 2023	(25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	300,000	-	-	-	-	300,000	300,000	300,000
										24 September 2021 to 24 September 2024	(25 September 2024 to 23 September 2031)
	24 September 2021	18.9	19.86	300,000	-	-	-	-	300,000	300,000	300,000
										24 September 2021 to 24 September 2025	(25 September 2025 to 23 September 2031)

OTHER INFORMATION

Name	Date of grant	Closing price per share immediately before date of grant HK\$	Exercise price per share HK\$	Number of share options					Balance outstanding as at 30 September 2024	No. of share option during the vesting period ⁽³⁾	No. of share options exercisable during the exercisable period ⁽³⁾
				Balance outstanding as at 1 April 2024	Granted during the Interim Period	Exercised during the Interim Period	Lapsed during the Year	Cancelled during the Year			
Miss Liu Ying Ying ⁽¹⁾	24 September 2021	18.9	19.86	60,000	-	-	-	-	60,000	60,000	60,000
										24 September 2021 to 24 September 2023	(25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	45,000	-	-	-	-	45,000	45,000	45,000
										24 September 2021 to 24 September 2024	(25 September 2024 to 23 September 2031)
										24 September 2021 to 24 September 2025	(25 September 2025 to 23 September 2031)
Ms. Lau Yau Ting ⁽²⁾	24 September 2021	18.9	19.86	20,000	-	-	-	-	20,000	20,000	20,000
										24 September 2021 to 24 September 2023	(25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	15,000	-	-	-	-	15,000	15,000	15,000
										24 September 2021 to 24 September 2024	(25 September 2024 to 23 September 2031)
										24 September 2021 to 24 September 2025	(25 September 2025 to 23 September 2031)
Other employee participants	24 September 2021	18.9	19.86	9,340,000	-	-	-	(180,000)	9,160,000	9,160,000	9,160,000
										24 September 2021 to 24 September 2023	(25 September 2023 to 23 September 2031)
	24 September 2021	18.9	19.86	7,005,000	-	-	-	(135,000)	6,870,000	6,870,000	6,870,000
										24 September 2021 to 24 September 2024	(25 September 2024 to 23 September 2031)
										24 September 2021 to 24 September 2025	(25 September 2025 to 23 September 2031)
				24,850,000	-	-	-	(450,000)	24,400,000		

Notes:

1. A daughter of Ms. Chong Siw Yin and Mr. Liu Siang Song, hence Miss Liu is an associate of a director and a controlling shareholder of the Company pursuant to the definition of the Listing Rules.
2. The spouse of Mr. Tse, being an associate of a Director of the Company pursuant to the definition of the Listing Rules.



OTHER INFORMATION

3. The Share Options will be vested in three tranches, subject to the terms of the Share Option Scheme and the fulfilment of the following vesting conditions:

Percentage of exercisable Share Options	Exercise period	Vesting conditions
40% of the Share Options	exercisable during the period commencing from the first trading day after the second anniversary of the date of grant up to and including 23 September 2031	upon satisfaction of the specific performance indicators based on the appraisal mechanism for the relevant grantees for specified financial years
30% of the Share Options	exercisable during the period commencing from the first trading day after the third anniversary of the date of grant up to and including 23 September 2031	
30% of the Share Options	exercisable during the period commencing from the first trading day after the fourth anniversary of the date of grant up to and including 23 September 2031	

SHARE AWARD SCHEME

The Company has adopted a share award scheme (the “Share Award Scheme”) on 28 October 2015 (the “Adoption Date”). The purpose of the Share Award Scheme is to recognize the contributions of the employees (including without limitation employees who are also directors) of the Group and to give incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at their absolute discretion select any employee for participation in the Share Award Scheme as a selected employee. The Board may determine the number of shares of the Company to be awarded to each selected employee and may impose any conditions, restrictions or limitations or waive any such conditions, restrictions or limitations from time to time in relation to the award as it may at its absolute discretion think fit.

Subject to the terms and conditions of the Scheme and/ or unless otherwise determined by the Board at its absolute discretion, awarded shares (and the related income derived from the shares held upon the trust of the Scheme (the “Trust”) in the form of shares, if any) held by the trustee of the Scheme upon the Trust and which are referable to a selected employee shall vest in the selected employee in accordance with a vesting schedule determined at the discretion of the Board (the “Vesting Date”), provided that the selected employee remains at all times after the date of award and on the Vesting Date an employee.

Notwithstanding any provision of the deed constituting the Trust, the Scheme and the terms and conditions of any award, the Board (or where the relevant selected employee is a director of the Company, the Remuneration Committee) in its sole and absolute discretion may determine from time to time on a general or case by case basis that an award may be vested at such time determined by the Board (or the Remuneration Committee, as the case may be) subsequent to and notwithstanding a termination of employment of a selected employee (including but not limited to as a result of the selected employee’s retirement or death) or following a change in control of the Company.

OTHER INFORMATION

The Scheme does not prescribe an amount payable on application or acceptance of the award, nor the amount payable on application or acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be repaid. The basis of determining the purchase price of shares awarded is not applicable as there is no purchase price under the Scheme.

The Board shall not make any further award which will result in the total number of shares awarded by the Board under the Scheme exceeding 10 per cent. of the issued share capital of the Company of 1,133,265,000 shares as at the Adoption Date, i.e. not exceeding 113,326,500 shares. The total number of shares which may be awarded to a selected employee in any 12-month period up to and including the date of award shall not in aggregate exceed 1 per cent. of the issued share capital of the Company of 1,133,265,000 shares as at the Adoption Date, i.e. not exceeding 11,332,650 shares.

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

During the six months ended 30 September 2024 (“Period”), the Company has not purchased any shares of the Company through the trustee in the open market on the Stock Exchange for the purpose of the Share Award Scheme. There were no shares awarded to employees pursuant to the Share Award Scheme during the Period.

There were no unvested awards at the beginning and at the end of the Period, nor awards vested, cancelled or lapsed during the Period.

Share Incentive Scheme of Shenzhen LK

The adoption of the share incentive scheme (the “Share Incentive Scheme”) of Shenzhen L.K. Technology Co., Ltd.* (深圳力勁科技股份有限公司) (“Shenzhen LK”), an indirect subsidiary of the Company, was approved by the Company at the extraordinary general meeting held on 22 December 2023.

There were no unvested awards at the beginning and at the end of the Period, nor awards granted, vested, cancelled or lapsed during the Period.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK3 cents per share for the six months ended 30 September 2024 (2023: HK4.5 cents per share) to the shareholders whose names appear on the register of members of the Company on Tuesday, 24 December 2024. The interim dividend will be paid on or about Thursday, 9 January 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 20 December 2024 to Tuesday, 24 December 2024, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all shares transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 19 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) during the Period under Review.

AUDIT COMMITTEE

The Audit Committee consists of four independent non-executive Directors, namely Mr. Tsang Yiu Keung, Paul, Dr. Lui Ming Wah, Dr. Low Seow Chay and Mr. Look Andrew. Mr. Tsang Yiu Keung, Paul is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and provide advice and comments to the Board.

* English name is made for identification purpose only



OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code throughout the Period under Review.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 September 2024. PricewaterhouseCoopers, the Group’s external auditor, also reviewed the unaudited condensed interim financial information for the six months ended 30 September 2024 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

On behalf of the Board

Chong Siw Yin

Chairperson

Hong Kong, 29 November 2024

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

To the Board of Directors of L.K. Technology Holdings Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 18 to 56, which comprises the interim condensed consolidated statement of financial position of L.K. Technology Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2024 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 November 2024



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	<i>Notes</i>	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
Non-current assets			
Intangible assets	7	12,746	14,377
Property, plant and equipment	8	2,356,912	2,159,300
Investment properties	8	423,500	414,000
Right-of-use assets	8	478,709	450,493
Interests in associates		14,851	14,942
Other receivables and deposits		75,564	77,236
Deferred income tax assets		117,696	112,006
Trade and bill receivables	9	37,135	27,051
Financial asset at fair value through other comprehensive income	5.3	5,495	5,495
Total non-current assets		3,522,608	3,274,900
Current assets			
Inventories		2,106,310	1,801,043
Trade and bill receivables	9	3,138,709	2,956,548
Other receivables, prepayments and deposits		434,365	346,816
Short-term bank deposits		54,945	–
Restricted bank balances		141,753	151,340
Cash and cash equivalents		1,746,722	2,375,176
Total current assets		7,622,804	7,630,923
Total assets		11,145,412	10,905,823
Equity			
Share capital	10	136,440	137,640
Reserves		(738,701)	(688,749)
Retained earnings		2,537,063	2,470,434
		1,934,802	1,919,325
Non-controlling interests		2,114,312	2,096,774
Total equity		4,049,114	4,016,099

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	<i>Notes</i>	(Unaudited) 30 September 2024 HK\$'000	(Audited) 31 March 2024 HK\$'000
Non-current liabilities			
Deferred income tax liabilities		79,921	76,909
Borrowings	11	225,469	235,061
Lease liabilities		61,237	63,863
Other payables	12	4,731	4,681
Redemption liabilities	12	2,431,755	2,353,625
Total non-current liabilities		2,803,113	2,734,139
Current liabilities			
Trade and bill payables	12	1,690,530	1,604,840
Other payables and contract liabilities	12	1,058,490	915,478
Borrowings	11	1,483,572	1,557,858
Lease liabilities		10,643	10,103
Current income tax liabilities		49,950	67,306
Total current liabilities		4,293,185	4,155,585
Total liabilities		7,096,298	6,889,724
Total equity and liabilities		11,145,412	10,905,823

The notes on pages 25 to 56 are integral part of this condensed consolidated interim financial information.



CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2024

	Notes	(Unaudited)	
		Six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
Revenue	13	2,594,448	2,753,733
Cost of sales	15	(1,849,825)	(2,033,245)
Gross profit		744,623	720,488
Other income	13	73,130	106,376
Other gains/(losses) – net	14	27,818	(7,360)
Selling and distribution expenses	15	(254,671)	(252,133)
General administrative expenses	15	(367,083)	(291,396)
Provision for impairment of trade receivables – net	15	(7,297)	(3,117)
Operating profit		216,520	272,858
Finance income		11,700	3,134
Finance costs		(33,407)	(41,318)
Finance costs – net	17	(21,707)	(38,184)
Share of losses of associates		(91)	(280)
Profit before income tax		194,722	234,394
Income tax expenses	18	(28,799)	(29,192)
Profit for the period		165,923	205,202
Profit attributable to:			
Equity holders of the Company		148,385	205,202
Non-controlling interests		17,538	–
		165,923	205,202
		HK cents	HK cents
Earnings per share for profit attributable to owners of the Company during the period			
– Basic	19(a)	10.9	14.9
– Diluted	19(b)	10.9	14.9

The notes on pages 25 to 56 are integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Profit for the period	165,923	205,202
Other comprehensive income/(loss) for the period:		
Item that may be reclassified to profit or loss		
Currency translation difference	7,819	(169,402)
Total comprehensive income for the period, net of tax	173,742	35,800
Total comprehensive income for the period attributable to:		
Equity holders of the Company	156,204	35,800
Non-controlling interests	17,538	–
	173,742	35,800

The notes on pages 25 to 56 are integral part of this condensed consolidated interim financial information.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company (Unaudited)												
	Share capital HK\$'000	Share premium HK\$'000	Share reserve HK\$'000	Treasury shares HK\$'000	Exchange translation reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Property revaluation reserve HK\$'000	Financial assets at fair value through other comprehensive income reserve HK\$'000	Retained earnings HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2024	137,640	1,123,842	12,418	(56,874)	(201,419)	(2,104,156)	407,639	129,433	368	2,470,434	1,919,325	2,096,774	4,016,099
Profit for the period	-	-	-	-	-	-	-	-	-	148,385	148,385	17,538	165,923
Other comprehensive loss													
Currency translation difference	-	-	-	-	7,819	-	-	-	-	-	7,819	-	7,819
Total comprehensive (loss)/income	-	-	-	-	7,819	-	-	-	-	148,385	156,204	17,538	173,742
Repurchase of company's shares	(1,200)	(56,674)	-	56,874	-	-	-	-	-	-	-	-	-
Interest accretion of redemption liability in relation to a put option exercisable by non-controlling interests	-	-	-	-	-	(72,507)	-	-	-	-	(72,507)	-	(72,507)
Transfer to statutory reserve	-	-	-	-	-	-	13,536	-	-	(13,536)	-	-	-
Transaction with owners in their capacity as owners													
Dividend declared	-	-	-	-	-	-	-	-	-	(68,220)	(68,220)	-	(68,220)
At 30 September 2024	136,440	1,068,168	12,418	-	(193,600)	(2,176,663)	421,175	129,433	368	2,537,063	1,934,802	2,114,312	4,049,114

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company (Unaudited)									
	Share capital HK\$'000	Share premium HK\$'000	Share reserve HK\$'000	Exchange translation reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Property revaluation reserve HK\$'000	Financial assets at fair value through other comprehensive income reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 April 2023	137,640	1,123,842	13,771	(85,937)	18,837	313,409	129,433	368	2,204,353	3,855,716
Profit for the period	-	-	-	-	-	-	-	-	205,202	205,202
Other comprehensive loss										
Currency translation difference	-	-	-	(169,402)	-	-	-	-	-	(169,402)
Total comprehensive (loss)/income	-	-	-	(169,402)	-	-	-	-	205,202	35,800
Employees' incentive plans	-	-	-	-	1,626	-	-	-	-	1,626
Transfer to statutory reserve	-	-	-	-	-	26,387	-	-	(26,387)	-
Transaction with owners in their capacity as owners										
Dividend declared	-	-	-	-	-	-	-	-	(61,938)	(61,938)
At 30 September 2023	137,640	1,123,842	13,771	(255,339)	20,463	339,796	129,433	368	2,321,230	3,831,204

The notes on pages 25 to 56 are integral part of this condensed consolidated interim financial information.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash (used in)/generated from operations	(87,792)	236,687
Interest paid	(31,343)	(42,399)
Income tax paid	(47,676)	(18,567)
Net cash (used in)/generated from operating activities	(166,811)	175,721
Cash flows from investing activities		
Payments for intangible assets	(708)	(3,130)
Purchases of property, plant and equipment	(261,962)	(171,066)
Deposits for purchases of property, plant and equipment	(45,540)	(59,517)
Proceeds from disposals of property, plant and equipment	1,114	4,121
Purchases of land use rights	(18,327)	(4,150)
Increase in short-term bank deposits	(54,945)	–
Repayment for deposits received for Urban Renewal Project	–	(38,043)
Interest received	11,700	3,134
Net cash used in investing activities	(368,668)	(268,651)
Cash flows from financing activities		
Inception of new bank borrowings	572,034	649,017
Repayment of bank borrowings	(656,415)	(466,055)
Decrease in trust receipt loans	(2,277)	(330)
Payment of lease liabilities	(5,317)	(4,766)
Dividend paid	(3,138)	–
Net cash (used in)/generated from financing activities	(95,113)	177,866
Net (decrease)/increase in cash and cash equivalents	(630,592)	84,936
Cash and cash equivalents at beginning of period	2,375,176	605,365
Exchange differences on cash and cash equivalents	2,138	(23,666)
Cash and cash equivalents at end of period	1,746,722	666,635

The notes on pages 25 to 56 are integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

L.K. Technology Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 16 October 2006. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The immediate and ultimate holding company of the Company is Girgio Industries Limited, a company incorporated in the British Virgin Islands.

The Company and its subsidiaries (the “Group”) are principally engaged in the design, manufacture, and sales of hot chamber and cold chamber die-casting machines, plastic injection moulding machines, computerised numerical controlled (“CNC”) machining centre and related accessories.

This condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”) unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the board (the “Board”) of directors (the “Directors”) on 29 November 2024.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 ‘Interim Financial Reporting’ issued by the Hong Kong Institute of Certified Public Accountants. In addition, the condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of amended standards and interpretation as set out below.

Income tax expenses in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1 Amendments to standards adopted by the Group

The following sets out amended standards and interpretations which have become applicable for the current reporting period:

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

These amendments to existing standards and interpretation did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

3.2 Impact of standards issued but not yet applied by the Group

Certain new accounting standards, amendments and interpretation have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards, amendments and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group will adopt these standards, amendments and interpretation when they become effective.

4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2024.

There have been no changes in the risk management policies since year end.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

5.3 Fair value estimation

The different levels for analysis of financial instruments carried at fair value, by valuation method are defined as follows:

- (1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- (2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- (3) Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.3 Fair value estimation *(Continued)*

The following table presents the Group's financial assets that are measured at fair value at 30 September 2024 and 31 March 2024.

As at 30 September 2024

	(Unaudited)			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Financial assets				
Financial asset at fair value through other comprehensive income <i>(Note)</i>	–	–	5,495	5,495

As at 31 March 2024

	(Audited)			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Financial assets				
Financial asset at fair value through other comprehensive income <i>(Note)</i>	–	–	5,495	5,495

Note: As at 30 September 2024 and 31 March 2024, financial asset at fair value through other comprehensive income consist of an unlisted equity investment which is denominated in RMB and its fair value estimated by market approach.

There were no transfers of financial assets and liabilities between levels 1 and 2 of the value hierarchy classifications.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.3 Fair value estimation *(Continued)*

Level 3 fair value

Reconciliation of level 3 fair value measurement of financial assets:

	(Unaudited) Six months ended 30 September 2024 Financial asset at fair value through other comprehensive income HK\$'000
Financial assets	
Balance at 1 April 2024	5,495
Exchange difference	–
Balance at 30 September 2024	5,495
	(Unaudited) Six months ended 30 September 2023 Financial asset at fair value through other comprehensive income HK\$'000
Financial assets	
Balance at 1 April 2023	5,682
Exchange difference	(247)
Balance at 30 September 2023	5,435

There were no transfers into or out of level 3 value hierarchy during the period.

The Group's 'trade, bill and other receivables', 'deposits', 'short-term bank deposits', 'restricted bank balances', 'cash and cash equivalents', 'trade, bill and other payables' and 'redemption liabilities' are financial assets and liabilities not carried at fair value. As at both 30 September 2024 and 31 March 2024, the carrying values of these financial assets and liabilities approximated their respective fair values.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 SEGMENT INFORMATION

The Group determines its operating segments based upon the internal reports reviewed by the chief operating decision maker (“CODM”) that are used to make strategic decisions. Segment results represent the profit/(loss) for the period before corporate expenses in each reportable segment. This is the measure reported to the Group’s management for the purpose of resource allocation and assessment of segment performance.

The measure used for reporting segment results is ‘profit from operations’, i.e. profit before finance income, finance costs and income tax expenses. To arrive at the profit/(loss) from operations, the Group’s profit is further adjusted for items not specifically attributed to individual segments.

The Group is organised into three main reportable segments.

- (i) Die-casting machine
- (ii) Plastic injection moulding machine
- (iii) CNC machining centre

For the six months ended 30 September 2024, none of the customers of the Group individually accounted for 10% or more of the Group’s total revenue (2023: same).

The segment results for the six months ended 30 September 2024 are as follows:

	(Unaudited)					
	Die-casting machine HK\$’000	Plastic injection moulding machine HK\$’000	CNC machining centre HK\$’000	Total segments HK\$’000	Eliminations HK\$’000	Total HK\$’000
Revenue						
External sales	1,622,828	881,269	90,351	2,594,448	–	2,594,448
Inter-segments sales	13,440	–	–	13,440	(13,440)	–
	1,636,268	881,269	90,351	2,607,888	(13,440)	2,594,448
Results						
Segment results	169,093	51,265	5,708	226,066	–	226,066
Administrative expenses						(9,546)
Finance income						11,700
Finance costs						(33,407)
Share of losses of associates						(91)
Profit before income tax						194,722

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 SEGMENT INFORMATION *(Continued)*

The segment results for the six months ended 30 September 2023 are as follows:

	(Unaudited)					
	Die-casting machine HK\$'000	Plastic injection moulding machine HK\$'000	CNC machining centre HK\$'000	Total segments HK\$'000	Eliminations HK\$'000	Total HK\$'000
Revenue						
External sales	1,996,628	677,626	79,479	2,753,733	–	2,753,733
Inter-segments sales	29,213	–	5,757	34,970	(34,970)	–
	2,025,841	677,626	85,236	2,788,703	(34,970)	2,753,733
Results						
Segment results	241,576	19,207	(7,205)	253,578	–	253,578
Forfeited deposit						38,889
Administrative expenses						(19,609)
Finance income						3,134
Finance costs						(41,318)
Share of losses of associates						(280)
Profit before income tax						234,394

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the condensed consolidated income statement.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

As at 30 September 2024

	(Unaudited)			
	Die-casting machine HK\$'000	Plastic injection moulding machine HK\$'000	CNC machining centre HK\$'000	Total HK\$'000
Assets				
Segment assets	7,413,346	1,933,852	1,778,347	11,125,545
Unallocated assets				19,867
Total assets				11,145,412
Liabilities				
Segment liabilities	5,639,215	1,331,024	49,191	7,019,430
Unallocated liabilities				76,868
Total liabilities				7,096,298

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

As at 31 March 2024

	(Audited)			
	Die-casting machine HK\$'000	Plastic injection moulding machine HK\$'000	CNC machining centre HK\$'000	Total HK\$'000
Assets				
Segment assets	7,201,559	1,693,190	1,991,379	10,886,128
Unallocated assets				19,695
Consolidated total assets				10,905,823
Liabilities				
Segment liabilities	5,555,385	1,096,546	227,764	6,879,695
Unallocated liabilities				10,029
Consolidated total liabilities				6,889,724

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments except for corporate assets and financial assets at fair value through other comprehensive income;
- all liabilities are allocated to reportable segments other than corporate liabilities; and
- liabilities for which segments are jointly liable are allocated in proportion to segment assets.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INTANGIBLE ASSETS

	Trademarks, patents, development cost and others HK\$'000	Goodwill HK\$'000	Total HK\$'000
Six months ended 30 September 2024			
Opening net book amount as at 1 April 2024	11,577	2,800	14,377
Additions	708	–	708
Amortisation (<i>Note 15</i>)	(2,541)	–	(2,541)
Exchange difference	202	–	202
Closing net book amount as at 30 September 2024 (unaudited)	9,946	2,800	12,746
Six months ended 30 September 2023			
Opening net book amount as at 1 April 2023	12,391	2,800	15,191
Additions	3,130	–	3,130
Amortisation (<i>Note 15</i>)	(2,908)	–	(2,908)
Exchange difference	(346)	–	(346)
Closing net book amount as at 30 September 2023 (unaudited)	12,267	2,800	15,067

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

8 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS

	Property, plant and equipment HK\$'000	Investment properties HK\$'000	Right-of-use assets HK\$'000
Six months ended 30 September 2024			
Opening net book amount as at 1 April 2024	2,159,300	414,000	450,493
Additions	307,892	–	37,957
Disposals	(2,894)	–	–
Depreciation (Note 15)	(107,796)	–	(10,940)
Increase in fair value (Note 14)	–	9,500	–
Exchange difference	410	–	1,199
Closing net book amount as at 30 September 2024 (unaudited)	2,356,912	423,500	478,709
	Property, plant and equipment HK\$'000	Investment properties HK\$'000	Right-of-use assets HK\$'000
Six months ended 30 September 2023			
Opening net book amount as at 1 April 2023	1,818,955	514,690	387,996
Additions	244,410	–	10,277
Disposals	(4,226)	–	–
Depreciation (Note 15)	(106,174)	–	(8,674)
Transfer of investment properties to property, plant and equipment (Note)	83,600	(83,600)	–
Decrease in fair value (Note 14)	–	(272)	–
Exchange difference	(76,811)	(21,618)	(16,349)
Closing net book amount as at 30 September 2023 (unaudited)	1,959,754	409,200	373,250

Note: During the six months ended 30 September 2023, investment properties of HK\$83,600,000 has been reclassified to property, plant and equipment as a result of change in usage. The fair value of the investment properties at the date of transfer was HK\$83,600,000.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

8 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS *(Continued)*

Investment properties

The fair values of the investment properties have been arrived at on the basis of valuations carried out by LCH (Asia-Pacific) Surveyors Limited (“LCH”), independent professional surveyor and valuer. LCH is a member of the Hong Kong Institute of Surveyors (“HKIS”), and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

Description	Fair value measurements at 30 September 2024 using		
	Quoted prices in active markets for identical assets (Level 1) HK\$'000	Significant other observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000
	Recurring fair value measurements:		
	Investment properties (unaudited)	–	–

Description	Fair value measurements at 31 March 2024 using		
	Quoted prices in active markets for identical assets (Level 1) HK\$'000	Significant other observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000
	Recurring fair value measurements:		
	Investment properties (audited)	–	–

There were no transfers between Levels 1, 2 and 3 during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

8 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS *(Continued)*

Investment properties *(Continued)*

Fair value measurements using significant unobservable inputs (Level 3)

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Balance at 1 April	414,000	514,690
Transfer to property, plant and equipment	–	(83,600)
Increase/(decrease) in fair value <i>(Note 14)</i>	9,500	(272)
Exchange difference	–	(21,618)
Balance at 30 September	423,500	409,200
Total unrealised gains/(losses) recognised in the condensed consolidated income statement for assets held at the end of the reporting period <i>(Note 14)</i>	9,500	(272)

The valuations, which conform to the HKIS valuation standards, were based on the income approach which largely used unobservable inputs (e.g. unit rate, discount rate, etc.) and taking into account the significant adjustment on discount rate to account for the risk upon reversionary and the estimation in vacancy rate after expiry of current lease.

There were no changes to the valuation technique during the period.

The key assumptions used for the valuation and their relationships to fair value are as follows:

Unobservable input	Relationship of unobservable inputs to fair value
Unit rate	The higher the unit rate, the higher the fair value
Discount rate	The higher the discount rate, the lower the fair value



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 TRADE AND BILL RECEIVABLES

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Trade receivables	2,725,470	2,602,204
Less: Provision for impairment	(133,890)	(126,422)
Bill receivables	2,591,580 584,264	2,475,782 507,817
Less: Balance due after one year shown as non-current assets	3,175,844 (37,135)	2,983,599 (27,051)
Trade and bill receivables, net	3,138,709	2,956,548

As at 30 September 2024, the amount of provision for impaired trade receivables was HK\$133,890,000 (31 March 2024: HK\$126,422,000). The provision for impairment of trade receivables made during the current period was HK\$7,297,000 (30 September 2023: HK\$3,117,000). The individually impaired receivables mainly relate to individual customers, the recoverability of which was in doubt.

The ageing analysis of the gross trade receivables based on invoice date at the end of reporting period is as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Within 90 days	1,372,255	1,464,301
91–180 days	525,887	422,756
181–365 days	413,544	342,516
Over one year	413,784	372,631
	2,725,470	2,602,204

The maturity date of the bill receivables is generally between one to six months.

Goods sold to customers are either made on cash on delivery or on credit basis. Customers in general are required to pay deposits upon placing purchase orders, the remaining balances will be payable upon goods delivery to customers. Majority of customers are granted with credit terms ranging from one to six months. The Group also sells goods to certain customers with sales proceeds payable by installments which normally range from six to twelve months.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 SHARE CAPITAL AND SHARE OPTION

(a) Share capital of the Company

	Six months ended 30 September 2024		Six months ended 30 September 2023	
	Authorised: Number of ordinary shares of HK\$0.1 each	Issued and fully paid HK\$'000	Authorised: Number of ordinary shares of HK\$0.1 each	Issued and fully paid HK\$'000
Issued and fully paid:				
Balance at the beginning of the period	1,376,391,500	137,640	1,376,391,500	137,640
Repurchase of the Company's shares	(12,000,000)	(1,200)	–	–
Balance at the end of period	1,364,391,500	136,440	1,376,391,500	137,640

Note: During the year ended 31 March 2024, the Company repurchased a total of 12,000,000 ordinary shares on the Stock Exchange at approximately HK\$56,874,000 (including commissions and other expenses). The price range of the share repurchase was between the lowest price of HK\$3.94 and the highest price of HK\$5.05. All 12,000,000 shares were subsequently cancelled on 30 April 2024.

(b) Share option scheme

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 8 September 2016, the Company adopted a share option scheme (the "Share Option Scheme"). The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in the Company and help motivate them to optimize their future performance and efficiency to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. The Share Option Scheme is valid and effective for a period of 10 years commencing on 8 September 2016. The Share Option Scheme was classified as an equity-settled share-based payment arrangement.

On 24 September 2021, 27,540,000 share options have been granted to certain directors and employees (the "Grantees") of the Group under the Share Option Scheme.

The vesting of the share options is mainly subject to fulfilment of certain performance targets, the Grantees remaining at all times after the offer date and on each vesting date as an employee of the Group, as well as the Grantees achieving a specified level in annual personal performance evaluations. Fulfilment of the performance and service conditions is subject to the review of the Administration Committee of the Share Option Scheme. The Administration Committee of the Share Option Scheme has absolute discretion in approving the exercise of the share options and sale of shares request from the Grantees.

The fair value of the share options of equity-settled share-based payment transactions is expensed over the vesting period with a corresponding increase in equity, taking into account the best available estimate by management of the number of shares expected to vest under the service and performance conditions at the end of each reporting period.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 SHARE CAPITAL AND SHARE OPTION *(Continued)*

(b) Share option scheme *(Continued)*

Set out below are summaries of options granted under the plan:

Name	Date of grant	Exercise price	Exercisable period	Number of share options held as at 1 April 2024	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Number of share options held as at 30 September 2024
Directors (in aggregate)	24 September 2021	HK\$19.86	25 September 2023 to 23 September 2031	520,000	-	-	-	-	520,000
		HK\$19.86	25 September 2024 to 23 September 2031	390,000	-	-	-	-	390,000
		HK\$19.86	25 September 2025 to 23 September 2031	390,000	-	-	-	-	390,000
Employees (in aggregate)	24 September 2021	HK\$19.86	25 September 2023 to 23 September 2031	9,420,000	-	-	-	(180,000)	9,240,000
		HK\$19.86	25 September 2024 to 23 September 2031	7,065,000	-	-	-	(135,000)	6,930,000
		HK\$19.86	25 September 2025 to 23 September 2031	7,065,000	-	-	-	(135,000)	6,930,000
				24,850,000	-	-	-	(450,000)	24,400,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 SHARE CAPITAL AND SHARE OPTION *(Continued)*

(b) Share option scheme *(Continued)*

Name	Date of grant	Exercise price	Exercisable period	Number of share options held as at 1 April 2023	Granted during the period	Exercised during the period	Forfeited during the period	Number of share options held as at 30 September 2023
Directors (in aggregate)	24 September 2021	HK\$19.86	25 September 2023 to 23 September 2031	520,000	-	-	-	520,000
		HK\$19.86	25 September 2024 to 23 September 2031	390,000	-	-	-	390,000
		HK\$19.86	25 September 2025 to 23 September 2031	390,000	-	-	-	390,000
Employees (in aggregate)	24 September 2021	HK\$19.86	25 September 2023 to 23 September 2031	9,688,000	-	-	-	9,688,000
		HK\$19.86	25 September 2024 to 23 September 2031	7,266,000	-	-	-	7,266,000
		HK\$19.86	25 September 2025 to 23 September 2031	7,266,000	-	-	-	7,266,000
				25,520,000	-	-	-	25,520,000



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 SHARE CAPITAL AND SHARE OPTION *(Continued)*

(c) Employees' incentive plan of a subsidiary

(i) LK Injection Molding Machine Co., Ltd.

On 29 July 2021, the Company approved the Employees' Incentive Plan of 廣東力勁塑機製造股份有限公司 LK Injection Molding Machine Co., Ltd. ("LK Injection") (formerly known as 中山力勁機械有限公司 Zhongshan LK Machinery Co. Ltd.), a PRC subsidiary of the Group (the "LK Injection Employees' Incentive Plan"). Following the Board approval on 29 July 2021, LK Injection entered into five subscription agreements with three individuals, being Mr. Tse Siu Sze, an executive director of the Company, Mr. Huang Xi, an employee of LK Injection and Ms. Liu Ying Ying, daughter of Ms. Chong Siw Yin (an executive director and the Chairperson of the Company) and Mr. Liu Siong Song (a controlling shareholder of the Company) and two limited liability partnerships ("LLP"), namely 中山市睿力企業管理合夥企業 (有限合夥) Zhongshan City Ruili Corporate Management Partnership (Limited Partnership) ("Zhongshan Ruili") and 寧波市鑄力企業管理合夥企業 (有限合夥) Ningbo City Zhuli Corporate Management Partnership (Limited Partnership) ("Ningbo Zhuli") in connection with the LK Injection Employees' Incentive Plan. The general partner of Zhongshan Ruili is Ms. Ke Ai Rong (an employee of LK Injection); the general partner of Ningbo Zhuli is Mr. Tan Ying Shi (an employee of 寧波力勁塑機製造有限公司 Ningbo L.K. Plastic Machinery Intelligent Manufacturing Co. Ltd.). The LLP were established in the PRC solely for the purpose of holding the equity interests in LK Injection in connection with the LK Injection Employees' Incentive Plan.

The qualified employees participating the LK Injection Employees' Incentive Plan contribute the capital at the specified grant price and become the limited partners of the LLP. Pursuant to the subscription agreements, LK Injection transferred 8.69% of enlarged registered capital in LK Injection to the abovementioned three qualified individuals and two LLPs at consideration of RMB2.75 per share.

Each participating employee in the LK Injection Employees' Incentive Plan shall remain in service with LK Injection or any of its subsidiaries for six years from the date of granting the restricted shares (the "6-year Service Period"). The restricted shares granted pursuant to the LK Injection Employees' Incentive Plan are personal to each participating employee, and are not transferrable during the 6-year Service Period, unless otherwise approved as stipulated under the subscription agreements. If any of the participating employees resign from LK Injection or any of its subsidiaries before the end of the 6-year Service Period or if LK Injection failed to be listed in any qualified Stock Exchange by 29 July 2027 (i.e. six years from the date of granting the restricted shares), the participating employees have the right to request Power Excel International Limited, the immediate holding company of LK Injection, to repurchase all of the restricted shares of LK Injection held by the participating employees at an consideration of the initial investment cost plus 5% interest per annum.

As at 30 September 2024, the repurchase obligation of HK\$67,530,000 (31 March 2024: HK\$66,076,000) (Note 12) was recognised in the liability.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 SHARE CAPITAL AND SHARE OPTION *(Continued)*

(c) Employees' incentive plan of a subsidiary *(Continued)*

(ii) Shenzhen L.K. Technology Co., Ltd

On 22 December 2023, the Company approved the Employees' Incentive Plan of 深圳力勁科技股份有限公司 Shenzhen L.K. Technology Co., Ltd ("Shenzhen L.K.") (formerly known as 深圳力勁科技有限公司), a PRC subsidiary of the Group (the "Shenzhen L.K. Employees' Incentive Plan"). Following the Board approval on 22 December 2023, Shenzhen L.K. entered into two subscription agreements with two Employee Stock Ownership Platforms (the "Shenzhen L.K. ESOPs"), namely Win Step Limited ("Win Step") and 深圳市力昌投資合夥企業 (有限合夥) Shenzhen Lichang Investment Partnership (Limited Partnership) ("Shenzhen Lichang") in connection with the Shenzhen L.K. Employees' Incentive Plan. Win Step is a company with limited liability incorporated in Hong Kong which is held by as to 50% by Mr. Liu Zhuo Ming, son of Ms. Chong Siw Yin, and 50% by Miss. Liu Ying Ying. Shenzhen Lichang is limited partnership established in the PRC of which the general partner is Shenzhen Lichuang Financial Consulting Co., Ltd. which is ultimately owned by employees of Shenzhen L.K.. The Shenzhen L.K. ESOPs were established solely for the purpose of holding the equity interests in Shenzhen L.K. in connection with the Shenzhen L.K. Employees' Incentive Plan.

The qualified employees participating the Shenzhen L.K. Employees' Incentive Plan contribute the capital at the specified grant price through the Shenzhen L.K. ESOPs. Pursuant to the subscription agreements, Shenzhen L.K. transferred 4.07% of enlarged registered capital in Shenzhen L.K. to the abovementioned Shenzhen L.K. ESOPs at consideration of RMB6.07 per share.

Each participating employee in the Shenzhen L.K. Employees' Incentive Plan shall remain in service with Shenzhen L.K. or any of its subsidiaries for five years from the date of granting the restricted shares (the "5-year Service Period"). The restricted shares granted pursuant to the Shenzhen L.K. Employees' Incentive Plan are personal to each participating employee, and are not transferrable under any circumstances, unless otherwise approved as stipulated under the subscription agreements. If any of the participating employees resign from Shenzhen L.K. or any of its subsidiaries before the end of the 5-year Service Period or before Shenzhen L.K. having listed its shares on a stock exchange for one year (whichever comes later), the Shenzhen L.K. ESOPs shall repurchase all of the restricted shares of Shenzhen L.K. held by the participating employees at an consideration of the initial investment cost plus 5% interest per annum.

As at 30 September 2024, the repurchase obligation of HK\$170,506,000 (As at 31 March 2024: HK\$166,336,000) (Note 12) was recognised in the liability.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 BORROWINGS

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Non-current:		
Bank borrowings	225,469	235,061
Current:		
Bank borrowings	1,478,224	1,550,233
Trust receipt loans	5,348	7,625
	1,483,572	1,557,858
	1,709,041	1,792,919
Secured:		
Bank borrowings	207,914	236,181
Unsecured:		
Bank borrowings	1,495,779	1,549,113
Trust receipt loans	5,348	7,625
	1,501,127	1,556,738
	1,709,041	1,792,919

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 BORROWINGS (Continued)

At 30 September 2024 and 31 March 2024, the Group's borrowings were repayable as follows:

	Trust receipt loans		Bank borrowings		Total	
	(Unaudited) As at	(Audited) As at	(Unaudited) As at	(Audited) As at	(Unaudited) As at	(Audited) As at
	30 September 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within 1 year	5,348	7,625	1,084,074	1,157,198	1,089,422	1,164,823
Bank borrowings due for repayment after one year (Note):						
After 1 year but within 2 years	-	-	361,647	356,589	361,647	356,589
After 2 years but within 5 years	-	-	51,404	59,243	51,404	59,243
After 5 years	-	-	206,568	212,264	206,568	212,264
	-	-	619,619	628,096	619,619	628,096
	5,348	7,625	1,703,693	1,785,294	1,709,041	1,792,919

Note: The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

At 30 September 2024, borrowings of approximately HK\$1,640,791,000 (31 March 2024: HK\$1,523,590,000), were borrowed from banks in the PRC by subsidiaries of the Group that are established in the PRC.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 TRADE AND BILL PAYABLES, OTHER PAYABLES AND CONTRACT LIABILITIES

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Current portion		
Trade payables (<i>Note i</i>)	1,113,002	1,021,152
Bill payables	577,528	583,688
Trade and bill payables	1,690,530	1,604,840
Contract liabilities	481,854	346,117
Other deposits	10,756	9,181
Accrued salaries, bonuses and staff benefits	128,713	136,769
Accrued sales commission	114,108	106,917
Value added tax payable	10,924	18,773
Provision for warranty and installation	92,645	152,423
Dividend payable	68,311	3,233
Others	151,179	142,065
Other payables and contract liabilities	1,058,490	915,478
Non-current portion		
Redemption liabilities (<i>Note ii</i>)	2,431,755	2,353,625
Others payables	4,731	4,681
	2,436,486	2,358,306

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 TRADE AND BILL PAYABLES, OTHER PAYABLES AND CONTRACT LIABILITIES *(Continued)*

Notes:

- (i) The ageing analysis of the trade payables based on invoice date is as follows:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Within 90 days	991,744	864,700
91–180 days	62,936	99,119
181–365 days	29,940	29,062
Over one year	28,382	28,271
	1,113,002	1,021,152

The maturity dates of the bill payables are generally between one to six months.

- (ii) The balance represents the Group's obligation to repurchase:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Equity interests of non-controlling interests in Shenzhen L.K. <i>(Note a)</i>	2,193,719	2,121,213
Employee's incentive plan of LK Injection <i>(Note b)</i>	67,530	66,076
Employee's incentive plan of Shenzhen L.K. <i>(Note b)</i>	170,506	166,336
	2,431,755	2,353,625



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 TRADE AND BILL PAYABLES, OTHER PAYABLES AND CONTRACT LIABILITIES *(Continued)*

Notes: (Continued)

- (ii) The balance represents the Group's obligation to repurchase: *(Continued)*

Notes:

- a. During the year ended 31 March 2024, the Future Industry Investment Fund II and other investors (the "Investors") subscribed to approximately 15.22% of the enlarged registered capital of Shenzhen L.K. through cash contributions of RMB1,880,000,000 in total (equivalent to approximately HK\$2,065,934,000) (the "Consideration").

A repurchase option (the "Repurchase Option") has been granted by Shenzhen L.K., its subsidiaries, and the Company (the "Repurchase Obligor") to the Investors. In the event of specified repurchase events occur when the Investors hold equity interest in Shenzhen L.K., the Investors can require the Repurchase Obligor to repurchase all or part of their equity interest in Shenzhen L.K. at the agreed repurchase price.

Under the Repurchase Option, the Repurchase Obligor is required to pay the Investors the repurchase price, which is equal to the Consideration plus 7% interest per annum in cash, within 3 years in instalments if any specified repurchase events occur. A redemption liability of RMB1,880,000,000 (equivalent to approximately HK\$2,065,934,000) has been recognised in the consolidated statement of financial position on the date of Completion. As at 30 September 2024, the redemption liability was HK\$2,193,719,000 (31 March 2024: HK\$2,121,213,000), being the Consideration plus accumulated interest of HK\$127,785,000 (31 March 2024: HK\$55,279,000).

Management has assessed the risks and rewards of ownership associating to the equity interests held by the Investors were substantially remain with the Investors in accordance with HKFRS 10. Hence, equity interests held by the Investors were recognised as non-controlling interests as at 30 September 2024 (31 March 2024: same).

- b. These balances represent the Group's obligation to repurchase, if certain repurchase events occur, all restricted shares of LK Injection and Shenzhen L.K., PRC subsidiaries of the Group in connection with their Employees' Incentive Plan's (Note 10(c)). These balances are denominated in RMB.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 REVENUE AND OTHER INCOME

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Revenue for sales of goods recognised under HKFRS 15		
Die-casting machine	1,622,828	1,996,628
Plastic injection moulding machine	881,269	677,626
CNC machining centre	90,351	79,479
	2,594,448	2,753,733

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Other income		
Value added taxes refund	31,787	23,979
Other subsidies from government (<i>Note</i>)	21,073	18,637
Rental income	16,693	17,772
Forfeited deposit in relation to Urban Renewal Project	–	38,889
Sundry income	3,577	7,099
	73,130	106,376

Note: Other subsidies from government recognised were primarily related to grants received from government in relation to sales and research and development of self-developed products in the PRC. There were no unfulfilled condition and other contingencies attached to the receipts of those subsidies.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 OTHER GAINS/(LOSSES) – NET

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Net foreign exchange losses	(2,545)	(6,983)
Increase/(decrease) in fair value of investment properties <i>(Note 8)</i>	9,500	(272)
Loss on disposals of property, plant and equipment	(1,780)	(105)
Gain on disposal of other receivables previously impaired <i>(note)</i>	17,482	–
Others	5,161	–
	27,818	(7,360)

Note: During the six months ended 30 September 2024, Fuxin Lida Steel Casting Co. Ltd. (“Fuxin Lida”), a wholly owned subsidiary of the Group, recovered RMB15,908,000 out of the total RMB50,908,000 previously impaired outstanding consideration receivable from 阜新金達鋼鐵鑄造有限公司 (“阜新金達”), the purchaser of the disposal, in connection with the disposal of 35% equity interest in 阜新力昌鋼鐵鑄造有限公司 (“阜新力昌”) completed during the year ended 31 March 2012. As stipulated in a tri-partite agreement entered into between 阜新金達, Fuxin Lida and Fuxin County government, 阜新金達 agreed to pay RMB15,908,000 on behalf of Fuxin Lida to a local contractor for construction of a factory site of Fuxin Lida in lieu of settlement of the outstanding consideration receivable. RMB35,000,000 was recovered during the year ended 31 March 2021. As at 30 September 2024, no outstanding consideration receivable was unsettled by 阜新金達.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 EXPENSES BY NATURE

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Raw materials and consumables used	1,727,827	1,576,578
Change in inventories of finished goods and work in progress	(278,399)	2,075
Staff costs (Note 16)	544,427	511,355
Amortisation of intangible assets (Note 7)	2,541	2,908
Depreciation of property, plant and equipment (Note 8)	107,796	106,174
Depreciation of right-of-use assets (Note 8)	10,940	8,674
Research costs	55,342	26,862
Utilities	42,481	39,314
Auditor's remuneration		
– Audit services	1,600	1,807
– Non-audit services	429	438
Provision for impairment of trade receivables – net (Note 9)	7,297	3,117
(Reversal of provision for)/Provision for inventories write-down – net	(10,451)	9,411
Reversal of loss on financial guarantee contracts	(928)	(478)
Other expenses	267,974	291,656
	2,478,876	2,579,891
Represented by:		
Cost of sales	1,849,825	2,033,245
Selling and distribution expenses	254,671	252,133
General administrative expenses	367,083	291,396
Provision for impairment of trade receivables – net	7,297	3,117
	2,478,876	2,579,891

For the six months ended 30 September 2024, the staff costs related to research and development activities were HK\$67,492,000 (2023: HK\$60,234,000).



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 EMPLOYEES' BENEFITS COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Wages and salaries	486,169	456,589
Retirement scheme contributions	38,981	35,068
Other allowances and benefits	19,277	18,036
Employees' incentive plans	–	1,662
	544,427	511,355

17 FINANCE COSTS – NET

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Finance income:		
Interest income on short-term bank deposits	(11,700)	(3,134)
Finance costs:		
Interests on bank borrowings	28,946	39,120
Less: Capitalised into property, plant and equipment (<i>Note</i>)	(3,560)	(2,551)
Interest on employees' incentive plan of subsidiaries	5,624	1,470
Interest on lease liabilities	1,175	155
Charges on bill receivables discounted without recourse	1,222	3,124
	33,407	41,318
	21,707	38,184

Note: Borrowing costs capitalised during the six months ended 30 September 2024 are arose from borrowing pool which were calculated by applying a capitalisation rate of 3.2% (2023: 3.8%) to expenditure on qualifying assets.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18 INCOME TAX EXPENSES

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Current income tax		
– PRC income tax	25,016	32,082
– Hong Kong profits tax	2,524	–
– Overseas tax	–	13
– Withholding tax on dividend income	2,780	–
	30,320	32,095
Deferred income tax	(1,521)	(2,903)
	28,799	29,192

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

In accordance with the applicable Corporate Income Tax Law of the PRC, the Company's subsidiaries established in the PRC are taxed at statutory rate of 25% (2023: same).

Certain subsidiaries in Shenzhen, Zhongshan, Ningbo, Shanghai, Kunshan, Chongqing and Fuxin have been certified as High and New Technology Enterprises and are entitled to a concessionary tax rate of 15% for three years. They are entitled to re-apply for the preferential tax treatment when the preferential tax period expires.

Under the Corporate Income Tax Law of the PRC, dividends out of profit earned on or after 1 January 2008 from the subsidiaries in the PRC distributed to the Group will be subject to withholding income tax. The implementation rules of the Corporate Income Tax Law of the PRC provide for the withholding income tax on such dividend to be at 10% unless reduced by tax treaty. Pursuant to a double tax arrangement between the PRC and Hong Kong, Hong Kong tax resident companies could enjoy a lower withholding tax rate of 5% on dividends received from PRC. Provision for withholding tax is included in deferred taxation.

As at 30 September 2024, deferred income tax liabilities of HK\$32,762,000 (31 March 2024: HK\$34,814,000) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Unremitted earnings that are subject to withholding tax amounted to HK\$655,248,000 at 30 September 2024 (31 March 2024: HK\$696,270,000). Such amounts are not intended to be distributed in the foreseeable future to the Group companies outside of the PRC. For the subsidiaries that we have an intention to distribute their respective retained earnings, we have recognised deferred tax liabilities of HK\$26,090,000 (31 March 2024: HK\$26,090,000) for the withholding tax as at 30 September 2024 that would be payable upon such distribution.

Subsidiaries established in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% (2023: same) on the estimated assessable profit for the period.

Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the jurisdiction in which the Group operates.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 EARNINGS PER SHARE

(a) Basic

The calculation of the basic earnings per share is based on the consolidated profit attributable to the owners of the Company of HK\$148,385,000 (2023: HK\$205,202,000) and on the weighted average number of approximately 1,364,392,000 (2023: 1,376,392,000) ordinary shares in issue.

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
Profit attributable to owners of the Company (HK\$'000)	148,385	205,202
Weighted average number of ordinary shares in issue (thousands)	1,364,392	1,376,392
Basic earnings per share (HK cents)	10.9	14.9

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the period ended 30 September 2024, the Group has two categories of potentially dilutive ordinary share: share option issued by the Company (2023: same) and two share-based payment schemes of subsidiaries of the Group (2023: one).

The conversion features of the share option issued by the Company and one of the share-based payment schemes of subsidiaries are considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur for the six months ended 30 September 2024 (2023: same), therefore the conversion feature of these potential ordinary shares has no dilutive effect on earnings per share calculation. The unvested potentially dilutive ordinary shares for another share-based payment scheme of subsidiaries were not included in the calculation of diluted earnings per share as they would have an antidilutive impact to the basic earnings per share (2023: same).

20 INTERIM DIVIDEND

At a meeting held on 29 November 2024, the board of directors has resolved to declare an interim dividend of HK3 cents per share (2023: HK4.5 cents per share) amounting to HK\$40,932,000 (2023: HK\$61,938,000). This declared dividend is not reflected as dividend payable in this condensed consolidated interim financial information, but will be recognised in shareholders' equity in the year ending 31 March 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 FINANCIAL GUARANTEES

The Company has provided guarantees in respect of banking facilities of its subsidiaries of approximately HK\$980,535,000 (31 March 2024: HK\$1,211,076,000). The facilities utilised by the subsidiaries as at 30 September 2024 amounted to HK\$5,348,000 (31 March 2024: HK\$192,423,000).

22 COMMITMENTS

(a) Capital commitment

	As at 30 September 2024 HK\$'000	As at 31 March 2024 HK\$'000
Capital expenditure contracted for at the end of the reporting period but not provided for are as follows:		
Property, plant and equipment	563,073	399,353

(b) Operating lease commitments

The Group as lessor

The Group leases out the investment properties and certain machinery under operating leases. The leases generally run for an initial period of one to five years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

At the end of the reporting period, the Group had contracted with lessees under non-cancellable operating leases in respect of buildings and machinery for the following future minimum leases receivable:

	(Unaudited) As at 30 September 2024 HK\$'000	(Audited) As at 31 March 2024 HK\$'000
Leases receivable:		
Within one year	24,365	24,295
In the second to fifth year inclusive	15,536	21,169
More than 5 year	1,599	–
	41,500	45,464



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

23 CONTINGENT LIABILITY

During the year ended 31 March 2023, a wholly-owned subsidiary of the Group received a product-related claim from a customer. The relevant legal process is still in the preliminary stages and management do not presently have sufficient information to assess the validity and the potential exposure of the claim. Accordingly, no further information has been disclosed concerning estimates of financial impact and the contingent liabilities in relation to this legal case. This is so as to not compromise the results of the possible proceedings or the interests of the Company. By taking account of all available evidence, management considered there was no present obligation as at 30 September 2024 (31 March 2024: Same), and disclosed as a contingent liability.

24 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

Except for those disclosed below and other than those disclosed elsewhere in the condensed consolidated interim financial information, the Group has no other significant transactions with related parties during the six months ended 30 September 2024 (2023: same).

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Consultancy fee (<i>Note</i>)	1,500	3,000

Note: On 1 December 2023, the Company entered into a consultancy agreement with Mr. Liu Siong Song to appoint him as the strategic and technical consultant of the Company for the term from 1 December 2023 to 30 November 2026. This related party transaction was also the continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Key management compensation

The remuneration of directors and other members of key management personnel during the period were as follows:

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Wages and salaries, other allowances and benefits	10,303	11,812
Retirement scheme contributions	461	902
Employees' incentive plans	–	520
	10,764	13,234

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