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均安控股
Kwan On Holdings

KWAN ON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1559)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

The board (the "**Board**") of Directors (the "**Directors**") of Kwan On Holdings Limited (the "**Company**") is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2026 (the "**Reporting Year**"), together with audited comparative figures for the corresponding preceding year, as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2026

	Notes	**2026** **HK$'000**	2025 HK$'000
Continuing operations			
Revenue	*4*	**286,322**	316,272
Cost of sales and services rendered		**(264,268)**	(312,488)
Gross profit		**22,054**	3,784
Net impairment losses on financial and contract assets		**(53,125)**	(40,423)
Impairment loss for property, plant and equipment		**(8,178)**	(539)
Gain on disposal of a subsidiary		**177**	4,459
Other income	*4*	**85**	5
Other (losses)/gains, net	*4*	**(747)**	149
Administrative expenses		**(15,690)**	(26,444)
Finance costs	*5*	**(677)**	(286)
Loss before tax		**(56,101)**	(59,295)
Income tax expense	*6*	**(1,963)**	(6,838)
Loss for the year from continuing operations	*7*	**(58,064)**	(66,133)
Discontinued operations			
Loss for the year from discontinued operations		**–**	(31,651)
Gain on disposals of discontinued operations, net		**–**	18,131
		–	(13,520)
Loss for the year		**(58,064)**	(79,653)

	Notes	**2026** **HK$'000**	2025 HK$'000
Other comprehensive income/(expense)			
Item that will not be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on investment in equity instrument at fair value through other comprehensive income		**2,464**	(10,196)
		2,464	(10,196)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**2,899**	(1,861)
Reclassification of exchange differences upon disposals of subsidiaries		**–**	(730)
		2,899	(2,591)
Other comprehensive income/(expense) for the year, net of nil income tax		**5,363**	(12,787)
Total comprehensive expense for the year		**(52,701)**	(92,440)
Loss for the year attributable to owners of the Company:			
From continuing operations		**(59,060)**	(66,640)
From discontinued operations		**–**	(13,520)
		(59,060)	(80,160)
Profit for the year attributable to non-controlling interests:			
From continuing operations		**996**	507
From discontinued operations		**–**	–
		996	507
Loss for the year		**(58,064)**	(79,653)

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Total comprehensive expense for the year attributable to owners of the Company:			
From continuing operations		**(53,720)**	(81,062)
From discontinued operations		**–**	(13,278)
		(53,720)	(94,340)
Total comprehensive income for the year attributable to non-controlling interests:			
From continuing operations		**1,019**	1,900
From discontinued operations		**–**	–
		1,019	1,900
Total comprehensive expense for the year		**(52,701)**	(92,440)
			(Restated)
Loss per share			
From continuing and discontinued operations			
Basic *(HK cents)*	*9*	**(2.99)**	(4.13)
From continuing operations			
Basic *(HK cents)*	*9*	**(2.99)**	(3.43)
From discontinued operations			
Basic *(HK cents)*	*9*	**–**	(0.70)

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment		**14,999**	23,693
Right-of-use assets		**–**	9
		14,999	23,702
Current assets			
Trade and other receivables	*10*	**48,912**	92,092
Contract assets		**33,849**	59,519
Equity instrument at fair value through other comprehensive income		**–**	6,246
Cash and cash equivalents		**25,731**	14,487
		108,492	172,344
Current liabilities			
Contract liabilities		**1,923**	–
Trade and other payables	*11*	**51,176**	98,015
Amount due to immediate holding company		**6,935**	28,940
Bank borrowings		**7,104**	7,652
Financial guarantee contracts		**–**	13,586
Lease liabilities		**–**	10
Income tax payable		**5,000**	4,506
		72,138	152,709
Net current assets		**36,354**	19,635
Total assets less current liabilities		**51,353**	43,337

	2026	2025
	HK$'000	*HK$'000*
Non-current liabilities		
Defined benefit obligation	**229**	229
Deferred tax liabilities	**119**	39
	348	268
NET ASSETS	**51,005**	43,069
Capital and Reserves		
Share capital	**27,554**	18,692
Reserves	**55,034**	56,979
Equity attributable to owners of the Company	**82,588**	75,671
Non-controlling interests	**(31,583)**	(32,602)
TOTAL EQUITY	**51,005**	43,069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

Kwan On Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 6 December 2012 as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The registered office of the Company is located at the offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands. The principal place of business is Unit 3401, 118 Connaught Road West, Hong Kong.

The Company is an investment holding company and its subsidiaries (together referred to as the "**Group**") are principally engaged in the construction related business in Southeast Asia and trading of construction and chemical materials.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

New and amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations, as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), for the first time, which are mandatorily effective for the Group's reporting periods beginning on or after 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective. The Group anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]
HKFRS 18 and consequential amendments to other HKFRS Accounting Standards	Presentation and Disclosure in Financial Statements[2]
HKFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2026

[2] Effective for annual periods beginning on or after 1 January 2027

[3] Effective for annual periods beginning on or after a date to be determined

Except for the new HKFRS Accounting Standard mentioned below, the Group anticipates that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 April 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Company that makes strategic decisions.

The following summary describes the operations in each of the Group's reportable segments:

Construction – the provision of construction and maintenance works on civil engineering contracts and building works contracts;

Property development – property development for sales of residential units, commercial units and car parking spaces; and

Trading – trading of construction and chemical materials.

The accounting policies of the operating segments are the same as the Group's accounting policies. The Chief Executive Officer assesses the performance of the operating segments based on the segment results from continuing and discontinued operations, which represent the profit/loss before income tax earned by each segment without allocation of gain on disposal of a subsidiary, interest income, net exchange gain/loss, finance costs from lease liabilities, finance costs from bank borrowings, central administrative costs and directors' emoluments. Segment assets consist of all operating assets and exclude equity instrument at fair value through other comprehensive income and other corporate assets, which are managed on a central basis. Segment liabilities consist of all operating liabilities and excluded bank borrowings and other corporate liabilities, which are managed on a central basis.

Segment revenue and results

The information of segment revenue and segment results from continuing operations and discontinued operations are as follows:

For the year ended 31 March 2026

	Continuing operations		
	Construction	**Trading**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
REVENUE			
External sales	**227,727**	**58,595**	**286,322**
RESULTS			
Segment results	**(34,652)**	**736**	**(33,916)**

For the year ended 31 March 2025

	Continuing operations			Discontinued operations	
	Construction	**Trading**	**Sub-total**	**Construction**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
REVENUE					
External sales	260,880	55,392	316,272	132,303	448,575
RESULTS					
Segment results	(48,759)	(1,672)	(50,431)	(31,790)	(82,221)

4. REVENUE, OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

Revenue

The Group's revenue represents amount received and receivable from contract works performed and trading of construction and chemical materials.

(i) Disaggregation of revenue from contracts with customers

	Continuing operations		Discontinued operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15:						
– Provision of construction and maintenance works on civil engineering contracts and building works contracts, recognised over time	**227,727**	260,880	**–**	132,303	**227,727**	393,183
– Trading of construction and chemical materials, recognised at a point in time	**58,595**	55,392	**–**	–	**58,595**	55,392
	286,322	316,272	**–**	132,303	**286,322**	448,575

(ii) Other income and other (losses)/gains, net

An analysis of the Group's other income and other (losses)/gains, net recognised during the year is as follows:

	Continuing operations		Discontinued operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other income						
Bank interest income	**85**	5	**–**	379	**85**	384
Sales of scrap materials	**–**	–	**–**	3,360	**–**	3,360
Insurance compensation	**–**	–	**–**	627	**–**	627
Write back of payables	**–**	–	**–**	1,488	**–**	1,488
Sundry income	**–**	–	**–**	366	**–**	366
	85	5	**–**	6,220	**85**	6,225
Other (losses)/gains, net						
(Loss)/gain on disposal of property, plant and equipment	**(58)**	(75)	**–**	493	**(58)**	418
Gain on lease modification	**–**	–	**–**	23	**–**	23
Loss on termination of lease	**–**	–	**–**	(285)	**–**	(285)
Impairment loss for right-of-use assets	**–**	–	**–**	(3,358)	**–**	(3,358)
Write-off of receivables	**(682)**	–	**–**	–	**(682)**	–
Exchange (loss)/gain	**(7)**	224	**–**	–	**(7)**	224
	(747)	149	**–**	(3,127)	**(747)**	(2,978)

5. FINANCE COSTS

	Continuing operations		Discontinued operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank borrowings	**677**	273	**–**	4,891	**677**	5,164
Interest on lease liabilities	**–**	13	**–**	158	**–**	171
Total interest expenses	**677**	286	**–**	5,049	**677**	5,335

6. INCOME TAX EXPENSE/(CREDIT)

	Continuing operations		Discontinued operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current tax:						
Hong Kong	**–**	–	**–**	202	**–**	202
The People's Republic of China (the "**PRC**")	**–**	124	**–**	–	**–**	124
Malaysia	**3,831**	2,675	**–**	–	**3,831**	2,675
The Republic of the Philippines (the "**Philippines**")	**–**	–	**–**	–	**–**	–
The Kingdom of Cambodia ("**Cambodia**")	**721**	214	**–**	–	**721**	214
	4,552	3,013	**–**	202	**4,552**	3,215
Under/(over)-provision in prior years:						
Malaysia	**(2,661)**	192	**–**	–	**(2,661)**	192
Hong Kong	**–**	–	**–**	47	**–**	47
	(2,661)	192	**–**	47	**(2,661)**	239
Deferred tax	**72**	3,633	**–**	(404)	**72**	3,229
Income tax expense/(credit) for the year	**1,963**	6,838	**–**	(155)	**1,963**	6,683

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits derived from Hong Kong for the year ended 31 March 2026. Hong Kong Profits Tax is calculated at 16.5% of assessable profit for the year ended 31 March 2025.

The PRC subsidiary is subject to income tax at 25% for both years under Enterprise Income Tax Law ("**EIT law**").

The Corporate Income Tax in the Philippines is calculated at 25% of assessable profit for both years.

The Corporate Income Tax in Malaysia is calculated at 24% of assessable profit for both years.

The Corporate Income Tax in Cambodia is calculated at 20% of assessable profit for the year ended 31 March 2026.

7. LOSS FOR THE YEAR

The Group's loss for the year has been arrived at after charging:

	Continuing operations		Discontinued operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Carrying amount of goods sold	**57,878**	55,330	**–**	–	**57,878**	55,330
Cost of construction services rendered	**206,390**	257,158	**–**	144,459	**206,390**	401,617
Auditor's remuneration						
– audit services	**855**	950	**–**	–	**855**	950
– other services	**65**	80	**–**	–	**65**	80
Depreciation of property, plant and equipment	**862**	858	**–**	2,582	**862**	3,440
Depreciation of right-of-use assets	**9**	275	**–**	2,432	**9**	2,707
Short-term lease expenses	**389**	405	**–**	4,341	**389**	4,746

8. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

The calculation of the basic loss per share from continuing operations and discontinued operations attributable to the owners of the Company is based on the following data:

Loss

	2026	2025
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company:		
– Continuing operations	**(59,060)**	(66,640)
– Discontinued operations	**–**	(13,520)
	(59,060)	(80,160)

Number of ordinary shares

	2026	2025
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares	**1,975,909**	1,940,210

Notes:

(a) The weighted average number of ordinary shares for the year ended 31 March 2025 has been adjusted for the effect of issuance of shares on rights issue completed on 16 March 2026.

(b) Diluted loss per share are same as the basic loss per share as there are no dilutive potential ordinary shares in existence during the years ended 31 March 2026 and 31 March 2025.

10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables (before impairment loss) of HK$58,593,000 (2025: HK$74,190,000) with aging analysis based on the invoice date at the end of the reporting period, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**9,677**	54,627
61 to 90 days	**–**	5,402
181 to 365 days	**–**	13,578
Over 1 year	**48,916**	583
	58,593	74,190

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$30,724,000 (2025: HK$63,814,000) and an aging analysis based on invoice date at the end of reporting period is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**9,318**	26,087
More than 30 days but within 90 days	**1,441**	12,184
More than 90 days	**19,965**	25,543
	30,724	63,814

BUSINESS REVIEW

Following the disposal of our wholly-owned Hong Kong civil engineering subsidiary, the Group has further optimised operating costs and restructured its business strategies.

Going forward, the Group will continue to concentrate on its core business sectors in mainland China and Southeast Asia, namely construction contracting and chemical materials trading.

Our construction operations in Cambodia have registered stable growth, most notably through a factory development project awarded by a well-known tyre manufacturer, with an aggregate contract value of approximately HK$1.07 billion. For the Reporting Year, construction projects delivered in mainland China, Cambodia and Malaysia collectively contributed HK$222.7 million in revenue and HK$21.3 million in gross profit.

As disclosed in the prior financial year, the Group was awarded a contract for the construction of a 61-storey residential condominium development in the Philippines, with an overall contract value of around HK$396.6 million. Amid persistent economic headwinds and geopolitical uncertainties, the pace of business expansion has decelerated markedly relative to pre-pandemic levels. The project owner has been actively introducing investors to facilitate the outright transfer of the entire development, including the land site and all ongoing construction works. Having reached a consensus with the project owner, the Group has made the decision to suspend all construction works relating to this development. The Group will take proactive measures to recover outstanding construction trade receivables of approximately HK$13.0 million, as well as a performance deposit totalling around HK$25.7 million.

The management remains committed to deploying significant human resources and operational resources to expand the Group's construction business primarily across Southeast Asia, while concurrently scaling up its chemical materials trading business in mainland China. Through regular operational reviews and strategic planning exercises, the Group strives to enhance long-term profitability and establish a robust foundation for sustainable business development.

FINANCIAL REVIEW

The Group recorded total revenue of approximately HK$286.3 million for the Reporting Year, compared with HK$316.3 million achieved in the financial year ended 31 March 2025 (the "**Previous Year**"). Loss attributable to owners of the Company amounted to around HK$59.1 million in the Reporting Year (Previous Year: loss of HK$80.2 million). The decrease in net losses was primarily driven by the disposals of the loss making operations in the Previous Year.

Construction related business – Continuing Operations

Revenue from the construction segment amounted to approximately HK$227.7 million for the Reporting Year, representing a decrease of HK$33.2 million or 12.7% compared to approximately HK$260.9 million in the Previous Year.

Further development of construction contracts in Cambodia, including the development of a factory for a renowned tyre manufacturer, which contributed approximately HK$189.5 million in revenue during the Reporting Year.

The revenue analysis by category is shown as follows:

	Year ended 31 March	
	2026	2025
	HK$000	*HK$000*
Mainland China construction sector	**4,724**	30,582
Malaysia construction sector	**33,503**	174,052
Cambodia construction sector	**189,500**	56,246
Mainland China trading sector	**58,595**	–
	286,322	260,880

The gross profit margins by categories of work performed are set out below:

	Year ended 31 March	
	2026	2025
Mainland China construction sector	**3.0%**	1.6%
Malaysia construction sector	**52.0%**	2.3%
Cambodia construction sector	**2.0%**	2.0%
Mainland China trading sector	**1.2%**	–

During the Reporting Year, the Group recorded a gross profit of approximately HK$21.3 million (Previous Year: gross profit of approximately HK$3.8 million) from its construction business. Several major projects in Malaysia are gradually reaching the expiry of their contractual terms. Their contribution to the Group's profit has decreased drastically.

Trading business

The Group is engaged in the trading of chemical materials. During the Reporting Year, the Group recorded revenue of approximately HK$58.6 million (Previous Year: approximately HK$55.4 million) and a gross profit of approximately HK$0.74 million (Previous Year: gross profit of approximately HK$0.06 million).

Net impairment losses on financial and contract assets

Net impairment loss on financial and contract assets for the Reporting Year amounted to approximately HK$53.1 million (Previous Year: HK$40.4 million). The increase in the provision was primarily driven by a reassessment of the credit risk profile of outstanding receivables, taking into account historical default rates, prevailing credit conditions, and updated information available to the Group. The significant rise in impairment loss was mainly attributable to provisions made against receivables related to the construction segment in Mainland China. Specifically, an impairment loss of approximately HK$36.0 million out of the total impairment losses of approximately HK$43.0 million on trade receivables was attributable to the Mainland China segment, and an impairment loss of approximately HK$31.5 million out of the total impairment losses of approximately HK$32.1 million on contract assets was attributable to the Mainland China segment. These provisions were based on an evaluation of the broader property market conditions in the respective regions and individual assessments of the counterparties' credit profiles.

Other (losses)/gain, net

Other losses, net for the Reporting Year was approximately losses of HK$0.7 million, compared to other net gain of approximately HK$0.1 million in the Previous Year. The change was mainly attributable to write-off of receivables HK$0.68 million (Previous Year: HK$Nil).

Administrative expenses

Administrative expenses for the Reporting Year decreased to approximately HK$15.7 million, representing a reduction of HK$10.7 million compared to approximately HK$26.4 million in the Previous Year. This decrease was mainly due to a decrease in staff costs of approximately HK$5.5 million and a decrease in listing related professional fees of approximately HK$1.4 million.

Other comprehensive income/(expense)

Other comprehensive income for the Year amounted to approximately HK$5.4 million, compared to other comprehensive expense of HK$12.8 million in the Previous Year. This was mainly due to an exchange gain arising from the translation of foreign operations. A fair value gain of approximately HK$2.5 million was recognised during the year, compared to a fair value loss of HK$10.2 million in the Previous Year, in relation to the Group's investment in the common shares of a company listed on the Philippine Stock Exchange, Inc. An exchange gain of approximately HK$2.9 million was also recognised during the Reporting Year compared to an exchange loss of HK$1.9 million in the Previous Year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the Group had net current assets of approximately HK$36.4 million (2025: approximately HK$19.6 million). Current ratio of the Group as at 31 March 2026 was approximately 1.5 times (2025: approximately 1.13 times).

As at 31 March 2026, the gearing ratio, calculated based on the net debt divided by total capital plus net debt, was approximately negative 16% (2025: approximately 23%). Net debt is calculated as the total of amount due to immediate holding company, bank borrowings and lease liabilities, net of cash and cash equivalents. Capital includes equity attributable to owners of the Company.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Reporting Year.

COMMITMENTS

As at 31 March 2026, the Group did not have any significant capital commitments (2025: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any future plans for material investments and capital assets.

CONTINGENT LIABILITIES

Save for certain litigations involved, the Group did not have any material contingent liabilities as at 31 March 2026 (2025: Nil).

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group's credit risk is primarily attributable to other receivables in relation to a transferred construction project, trade and retention receivables and deposits with banks. During the Reporting Year, the Group has received all remaining receivable and interest. The credit risk of the Group's trade and retention receivables is concentrated since 100% of which was derived from four major customers as at 31 March 2026 (2025: 92%). The Group's major bank balances are deposited with banks with good reputation and hence the management does not expect any losses from non-performance by these banks. In relation to the management of liquidity risk, the Group's policy is to regularly monitor the liquidity requirements in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet the liquidity requirements in short and long term.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2026, the Group did not hold any significant investment with a value of 5 per cent. or more of the Group's total assets.

CHARGE OF GROUP'S ASSETS AND SECURITIES FOR BANKING FACILITIES

As at 31 March 2026, the Group's bank borrowings and other banking facilities are pledged by bank deposits amounting to approximately HK$nil (2025: HK$nil) and leasehold land and building with an carrying value of approximately HK$15 million (2025: HK$22.6 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group employed a total of 16 staffs on a full-time basis. Staff costs, including Directors' emoluments, of the Group amounted to approximately HK$9.7 million for the Reporting Year (2025: approximately HK$15.2 million). Remuneration of the employees is determined with reference to market terms and the performance, qualification and experience of individual employees. In addition to a basic salary, year-end discretionary bonuses are offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

SUBSEQUENT EVENTS

There is no subsequent event after the Reporting Year which has a material impact to the Group.

OTHER INFORMATION

Corporate Governance Practice

The Board recognised that the transparency and accountability are important to a listed company. Therefore, the Company is committed to establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return to the benefits of the Company's stakeholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly stringent regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Company. In the opinion of the Board, the Company has complied with the code provisions of the CG Code for the Reporting Year except for the following deviation.

CG Code Provision C.5.1 stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the Reporting Year, only two regular board meetings were convened. However, the management has regularly updated the Board for the Group's business development with performance review through electronic means of communication. All the Board members are encouraged to express their opinions on the Company's matters. The Board was consulted for every crucial decision and the written resolutions were also circulated to all the Directors to obtain the Board consents. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code. However, the Company will consider to hold regularly board meetings at approximately quarterly intervals in the future.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Appendix C3 of the Listing Rules. The Company periodically issues notices to its Directors reminding them to the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results of the Group. Having made specific enquiries with the Directors, our Directors have confirmed that they have complied with the required standard of dealings regarding securities transactions by the Directors throughout the Reporting Year.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company during the Reporting Year.

Interests in Competing Business

As at the date of this announcement, none of the Directors nor their respective associates (as defined in the Listing Rules) had interests in businesses, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

The independent non-executive Directors have also reviewed the compliance by each of the covenators with the undertaking during the Reporting Year. The independent non-executive Directors have confirmed that, as far as they can ascertain, there is no breach by any of the covenators of the undertaking given by them.

Sufficiency of Public Float

As at the date of this announcement, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company has maintained public float as required under the Listing Rules.

Scope of Work of the External Auditor

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Year as set out in the preliminary announcement have been agreed by the Group's auditors, Crowe (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

Audit Committee

The Audit Committee has reviewed together with the management and external auditor the accounting principles and policies adopted by the Group, discussed internal controls and financial reporting matters and the audited consolidated financial statements for the Reporting Year.

Publication of 2026 Annual Report

The 2026 annual report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and will also be published on the website of the Company at http://www.kwanonconstruction.com and the website of the Stock Exchange at http://www.hkexnews.hk.

By order of the Board
Kwan On Holdings Limited
Chen Zhenghua
Chairman

Hong Kong, 29 June 2026

As at the date of this announcement, the executive Directors are Mr. Chen Zhenghua, Mr. Sun Xiaoran (Chief Executive Officer) and Mr. Gu Xiaochong, the non-executive Director is Ms. Li Yuping; and the independent non-executive Directors are Professor Lam Sing Kwong, Simon, Mr. Lum Pak Sum and Mr. Gong Zhenzhi.

This announcement will remain on the "Latest Listed Company Announcements" page of the website of the Stock Exchange at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.kwanonconstruction.com.