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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

The board (the “**Board**”) of Directors (the “**Directors**”) of Kwan On Holdings Limited (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2025 (the “**Reporting Period**”), together with comparative figures for the corresponding preceding period, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025 (unaudited)

		(Unaudited)	
		Six months ended	
		30 September	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>(restated)</i>
Continuing operations			
Revenue	5	110,434	119,619
Cost of sales and services rendered		(108,303)	(117,672)
Gross profit		2,131	1,947
Other income		1	337
Administrative expenses		(7,353)	(11,628)
Finance costs	6	(105)	(151)
Loss before tax		(5,326)	(9,495)
Income tax expense	7	(598)	(78)

		(Unaudited)	
		Six months ended	
		30 September	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>(restated)</i>
Loss for the period from continuing operations	8	(5,924)	(9,573)
Discontinued operations			
Loss for the period from discontinued operations	19	—	(13,717)
Loss for the period		<u>(5,924)</u>	<u>(23,290)</u>
Other comprehensive expense			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain/(loss) on investment in equity instrument at fair value through other comprehensive income		<u>3,259</u>	<u>(4,783)</u>
		<u>3,259</u>	<u>(4,783)</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>586</u>	<u>370</u>
		<u>586</u>	<u>370</u>
Other comprehensive income/(expense) for the period, net of nil income tax		<u>3,845</u>	<u>(4,413)</u>
Total comprehensive expense for the period		<u><u>(2,079)</u></u>	<u><u>(27,703)</u></u>
Loss for the period attributable to owners of the Company:			
– From continuing operations		(6,457)	(9,714)
– From discontinued operations		<u>—</u>	<u>(13,717)</u>
		<u><u>(6,457)</u></u>	<u><u>(23,431)</u></u>
Profit for the period attributable to non-controlling interests:			
– From continuing operations		533	141
– From discontinued operations		<u>—</u>	<u>—</u>
		<u><u>533</u></u>	<u><u>141</u></u>
Loss for the period		<u><u>(5,924)</u></u>	<u><u>(23,290)</u></u>

		(Unaudited)	
		Six months ended	
		30 September	
		2025	2024
<i>Notes</i>		HK\$'000	HK\$'000
			(restated)
Total comprehensive expense for the period attributable to owners of the Company:			
		(2,611)	(14,736)
– From continuing operations		–	(13,717)
– From discontinued operations		–	–
		(2,611)	(28,453)
Total comprehensive income for the period attributable to non-controlling interests:			
		532	750
– From continuing operations		–	–
– From discontinued operations		–	–
		532	750
Total comprehensive expense for the period		(2,079)	(27,703)
Loss per share			
From continuing and discontinued operations			
Basic (HK cents)	9	(0.35)	(1.25)
From continuing operations			
Basic (HK cents)	9	(0.35)	(0.52)
From discontinued operations			
Basic (HK cents)	9	–	(0.73)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025	31 March 2025
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment	10	23,391	23,693
Right-of-use assets	11	1	9
		23,392	23,702
Current assets			
Trade and other receivables	13	67,002	92,092
Contract assets		60,725	59,519
Equity instrument at fair value through other comprehensive income	12	9,505	6,246
Cash and cash equivalents		6,571	14,487
		143,803	172,344
Current liabilities			
Trade and other payables	14	74,307	98,015
Amount due to a immediate holding company		29,524	28,940
Bank borrowings	15	7,382	7,652
Lease liabilities		1	10
Income tax payable		4,402	4,506
Financial guarantee contracts		10,320	13,586
		125,936	152,709
Net current assets		17,867	19,635
Total assets less current liabilities		41,259	43,337

		30 September 2025	31 March 2025
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Non-current liabilities			
Defined benefit obligation		229	229
Deferred tax liabilities		41	39
		<u>270</u>	<u>268</u>
NET ASSETS		<u>40,989</u>	<u>43,069</u>
Capital and Reserves			
Share capital	16	18,692	18,692
Reserves		<u>54,367</u>	<u>56,979</u>
Equity attributable to owners of the Company		73,059	75,671
Non-controlling interests		<u>(32,070)</u>	<u>(32,602)</u>
TOTAL EQUITY		<u>40,989</u>	<u>43,069</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. GENERAL INFORMATION

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 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 at Unit 3401, 118 Connaught Road West, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the construction related business and trading of chemical materials in Hong Kong, Southeast Asia and mainland China.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the Reporting Period have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The unaudited condensed consolidated financial statements for the Reporting Period have not been audited by the Company’s independent auditors, but have been reviewed by the Audit Committee of the Company.

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

The preparation of an interim report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2025.

Application of new and amendments of HKFRSs

In the current period, the Group has applied for the first time the following revised or amendments to HKFRS Accounting Standards (includes Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2025.

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

None of these revised or amended HKFRS Accounting Standards have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. 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 Group has two reportable segments. The following summary describes the operations in each of the Group's reportable segments:

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

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 operation, which represent the loss before income tax made by each segment without allocation of interest income, net exchange gain/loss, finance costs from lease liabilities, finance costs from bank borrowings and 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 are as follows:

For the six months ended 30 September 2025

	Continuing Operations		Total <i>HK\$'000</i>
	Construction <i>HK\$'000</i>	Trading <i>HK\$'000</i>	
REVENUE			
External sales	<u>88,387</u>	<u>22,047</u>	<u>110,434</u>
RESULTS			
Segment results	<u>1,127</u>	<u>322</u>	<u>1,449</u>
Unallocated exchange gain – net			(134)
Unallocated finance costs arisen from bank borrowings			(105)
Central administrative costs and directors' emoluments			<u>(6,536)</u>
			<u>(5,326)</u>

For the six months ended 30 September 2024

	Continuing operations			Discontinued operations	Total <i>HK\$'000</i>
	Construction <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Construction <i>HK\$'000</i>	
REVENUE					
External sales	<u>64,227</u>	<u>55,392</u>	<u>119,619</u>	<u>69,777</u>	<u>189,396</u>
RESULTS					
Segment results	<u>(3,978)</u>	<u>1,374</u>	<u>(2,604)</u>	<u>(9,949)</u>	<u>(12,553)</u>
Interest income					237
Exchange gain – net					1,997
Finance costs arisen from lease liabilities					(57)
Finance costs arisen from bank borrowings					(4,096)
Central administrative costs and directors' emoluments					<u>(8,740)</u>
					<u>(23,212)</u>

Other information

Amounts included in the measure of segment results:

For the six months ended 30 September 2025

	Continuing operations			Total <i>HK\$'000</i>
	Construction <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	
Depreciation of right-of-use assets	8	–	–	8
Depreciation of property, plant and equipment	84	–	329	413
	<u>84</u>	<u>–</u>	<u>329</u>	<u>413</u>

For the six months ended 30 September 2024

	Continuing operations				Discontinuing operations	Total <i>HK\$'000</i>
	Construction <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Construction <i>HK\$'000</i>	
Gain on disposal of property, plant and equipment	–	–	–	–	393	393
Depreciation of right-of-use assets	154	–	334	488	1,193	1,681
Depreciation of property, plant and equipment	65	–	277	342	1,614	1,956
	<u>65</u>	<u>–</u>	<u>277</u>	<u>342</u>	<u>1,614</u>	<u>1,956</u>

Segment assets and liabilities**As at 30 September 2025**

	Construction <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	<u>132,341</u>	<u>2,485</u>	<u>134,826</u>
Reportable segment liabilities	<u>62,344</u>	<u>2,823</u>	<u>65,167</u>
Other segment information:			
Additions to non-current assets	<u>-</u>	<u>-</u>	<u>-</u>

Segment assets consist primarily of property, plant and equipment, right-of-use assets, trade and other receivables, contract assets, pledged bank deposits and bank balances and cash.

Segment liabilities consist primarily of contract liabilities, trade and other payables, amount due to a related company, amount due to an associate, amounts due to other partners of joint operations, bank borrowings, lease liabilities, income tax payable and deferred tax liabilities.

As at 31 March 2025

	Construction <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	<u>166,536</u>	<u>307</u>	<u>166,843</u>
Reportable segment liabilities	<u>88,678</u>	<u>17,676</u>	<u>106,354</u>
Other segment information:			
Additions to non-current assets	<u>44</u>	<u>-</u>	<u>44</u>

Segment assets consist primarily of property, plant and equipment, right-of-use assets, inventories, trade and other receivables, contract assets, deferred tax assets, pledged bank deposits and bank balances and cash.

Segment liabilities consist primarily of contract liabilities, trade and other payables, amount due to a related company, amount due to an associate, amounts due to other partners of joint operations, bank borrowings, lease liabilities, income tax payable and deferred tax liabilities.

Reconciliation of reportable segment assets to total assets is as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Total reportable segment assets	134,826	166,843
Financial assets at fair value through other comprehensive income	9,505	6,246
Unallocated corporate assets – property, plant and equipment	22,319	22,600
Unallocated corporate assets – bank balance and cash	442	137
Other unallocated corporate assets	103	220
	<hr/>	<hr/>
Total assets	167,195	196,046
	<hr/>	<hr/>

Reconciliation of reportable segment liabilities to total liabilities is as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Total reportable segment liabilities	65,167	106,354
Unallocated corporate liabilities – bank borrowings	7,382	7,652
Unallocated corporate liabilities – financial guarantee contracts	10,320	13,586
Other unallocated corporate liabilities	43,337	25,385
	<hr/>	<hr/>
Total liabilities	126,206	152,977
	<hr/>	<hr/>

All of the Group's revenue was derived from Hong Kong and the People's Republic of China (the "PRC"). Information about the Group's non-current assets other than financial assets at fair value through other comprehensive income, deferred tax assets and other receivables is presented based on the geographical location of the assets.

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Information about major customers

Revenues from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 September		
	2025	2024	
	HK\$'000	HK\$'000	
	(Unaudited)	(Unaudited)	
	Continuing operations	Continuing operations	Discontinued operations
– Customer A	–	–	50,293
– Customer B	–	33,179	–
– Customer C	–	55,392	–
– Customer D	86,013	–	–
	<u>86,013</u>	<u>–</u>	<u>–</u>

5. REVENUE

During the periods, the Group's revenue represents amount received and receivable from contract works performed and trading of chemical materials.

Six months ended 30 September					
Continuing operations		Discontinued operations		Total	
2025	2024	2025	2024	2025	2024
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
– Provision of construction and maintenance works on civil engineering contracts and building works contracts, recognised over time	88,387	64,227	–	69,777	88,387
– Trading of construction and chemical materials, recognised at a point in time	22,047	55,392	–	–	22,047
	<u>110,434</u>	<u>119,619</u>	<u>–</u>	<u>69,777</u>	<u>189,396</u>

Revenue from contracts with customers within the scope of HKFRS 15:

6. FINANCE COSTS

	Six months ended 30 September					
	Continuing operations		Discontinued operations		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on bank borrowings	105	141	–	3,955	105	4,096
Interest on lease liabilities	–	10	–	47	–	57
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total interest expenses	<u>105</u>	<u>151</u>	<u>–</u>	<u>4,002</u>	<u>105</u>	<u>4,153</u>

7. INCOME TAX EXPENSES

Current tax

	Six months ended 30 September					
	Continuing operations		Discontinued operations		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:						
The PRC	–	78	–	–	–	78
Cambodia	<u>598</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>598</u>	<u>–</u>
	<u>598</u>	<u>78</u>	<u>–</u>	<u>–</u>	<u>598</u>	<u>78</u>

The PRC subsidiary is subject to income tax at 25% for both years under Enterprise Income Tax Law.

The Corporate Income Tax in Cambodia is calculated at 20% of assessable profit.

8. LOSS FOR THE PERIOD

	Six months ended 30 September					
	Continuing operations		Discontinued operations		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period has been arrived at after charging:						
Depreciation of property, plant and equipment	413	342	–	1,614	413	1,956
Depreciation of right-of-use assets	<u>8</u>	<u>488</u>	<u>–</u>	<u>1,193</u>	<u>8</u>	<u>1,681</u>

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:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the year attributable to owners of the Company:		
Continuing operations	(6,457)	(13,717)
Discontinued operations	<u>–</u>	<u>(9,714)</u>
	<u>(6,457)</u>	<u>(23,431)</u>
Number of ordinary shares	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>1,869,160</u>	<u>1,869,160</u>

Since there were no potential dilutive ordinary shares in issue during both periods, no diluted loss per share is presented.

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Machinery HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST						
At 1 April 2024	32,882	1,340	5,022	16,962	16,229	72,435
Additions	–	–	12	–	51	63
Disposals	–	–	(2,670)	(3,356)	(3,827)	(9,853)
Disposal of subsidiaries	–	(330)	(2,209)	(13,422)	(10,728)	(26,689)
Exchange adjustments	–	–	8	9	69	86
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	32,882	1,010	163	193	1,794	36,042
Additions	–	–	54	–	–	54
Disposals	–	–	–	–	–	–
Exchange adjustments	–	–	9	11	59	79
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2025	32,882	1,010	226	204	1,853	36,175
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION						
At 1 April 2024	4,606	1,340	4,386	14,708	13,768	38,808
Charge for the year	658	–	139	1,476	1,167	3,440
Eliminated on disposals	–	–	(2,670)	(3,356)	(3,652)	(9,678)
Disposal of subsidiaries	–	(330)	(1,794)	(12,752)	(10,377)	(25,253)
Exchange adjustments	–	–	3	2	9	14
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	5,264	1,010	64	78	915	7,331
Charge for the period	329	–	19	17	48	413
Eliminated on disposals	–	–	–	–	–	–
Exchange adjustments	–	–	3	5	14	22
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2025	5,593	1,010	86	100	977	7,766
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED IMPAIRMENT						
1 April 2024	4,479	–	–	–	–	4,479
Impairment loss for the year	539	–	–	–	–	539
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	5,018	–	–	–	–	5,018
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Impairment loss for the period	–	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2025	5,018	–	–	–	–	5,018
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
CARRYING VALUES						
At 30 September 2025	22,271	–	140	104	876	23,391
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	22,600	–	99	115	879	23,693
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The above items of property, plant and equipment, are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and building	50 years or over the lease terms, whichever is shorter
Leasehold improvements	38% or over the lease terms, whichever is shorter
Furniture and fixtures	20% – 25%
Machinery	15% – 25%
Motor vehicles	25%

As at 30 September 2025, the Group's leasehold land and building with carrying amount amounting to approximately HK\$22,271,000 (31 March 2025: HK\$22,600,000) was pledged to secure banking facilities granted to the Group.

As at 30 September 2025, included in the property, plant and equipment is the Group's leasehold land and building under long lease located in Hong Kong of HK\$22,271,000 (31 March 2025: HK\$22,600,000) of which the Group is the registered owner of this properties interest, including the underlying leasehold land. Lump sum payments were made upfront to acquire the properties interest. The leasehold land component of this property interest is presented separately only if the payments made can be allocated reliably.

11. RIGHT OF USE ASSETS

	Leasehold properties <i>HK\$'000</i>
COST	
At 1 April 2024	28,005
Additions	1,265
Modification of lease	2,465
Termination of lease	(8,494)
Disposals of subsidiaries	(22,462)
Exchange adjustments	(1)
	<hr/>
At 31 March 2025	778
Additions	–
Terminate of lease	–
Exchange adjustments	–
	<hr/>
At 30 September 2025	778 <hr/>
ACCUMULATED DEPRECIATION	
At 1 April 2024	24,431
Charge for the year	2,707
Termination of lease	(7,599)
Disposal of subsidiaries	(18,775)
Exchange adjustments	5
	<hr/>
At 31 March 2025	769
Charge for the period	8
Terminate of lease	–
Exchange adjustments	–
	<hr/>
At 30 September 2025	777 <hr/>
CARRYING VALUES	
At 30 September 2025	1 <hr/> <hr/>
At 31 March 2025	9 <hr/> <hr/>

The Group has obtained the right to use other properties as its office premises through tenancy agreements. These leases typically run for an initial period of 2 to 5 years.

As at 30 September 2025 and 31 March 2025, the Group had no lease with variable lease payment. The lease agreements do not impose any extension and termination options which are exercisable only by the Group and not by the respective lessors.

12. EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2025 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
Common shares listed on The Philippine Stock Exchange., Inc., at fair value	9,505	6,246

The amount represents the fair value of 200,000,000 common shares in Philippine Infradev Holdings, Inc., a company listed on The Philippine Stock Exchange, Inc. (Stock Code: INFRA) (“INFRA”). As at 30 September 2025 and 31 March 2025, the Group held approximately 3.3% equity interest of INFRA. The Group intended to hold the equity instrument for long-term strategic purpose instead of held-for-trading. As at 30 September 2025 and 31 March 2025, the equity instrument is classified as current assets as the Group intends to dispose of the equity investment within twelve months from the reporting period.

13. TRADE AND OTHER RECEIVABLES

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade receivables	48,744	74,190
Less: impairment loss recognised of trade receivable under ECL model	(23,422)	(23,489)
Net trade receivables	25,322	50,701
Performance deposits (<i>Note (a)</i>)	67,532	67,082
Other receivables	6,443	3,429
	73,975	70,511
Less: impairment loss recognised of other receivables under ECL model	(33,070)	(29,947)
Net other receivables	40,905	40,564
Other tax receivables	83	83
Other prepayments	310	304
Other deposits	382	440
Total trade and other receivables	67,002	92,092
Less: classified under non-current assets	—	—
	67,002	92,092

Notes:

- (a) Included in the performance deposit amounted to PHP198,545,576 (equivalent to approximately HK\$26,601,000) (31 March 2025: approximately HK\$26,959,000) paid to the land owner for construction project in the Republic of the Philippines. The balance was interest-free, repayable upon the completion of construction project, secured by the pledge of entire equity interest in the land owner and guaranteed by a substantial shareholder of the Company.

Included in the performance deposit amounted to RMB37,350,000 (equivalent to approximately HK\$40,824,000) (31 March 2025: approximately HK\$40,021,000) paid to the land owners for construction projects in the People's Republic of China. The balance was unsecured, interest-free, repayable upon the completion of construction projects.

Included in the performance deposit amounted to MYR59,000 (equivalent to approximately HK\$108,000) (31 March 2025: approximately HK\$102,000) paid to a financial institution in Malaysia for the provision of the guarantee for the construction projects in Malaysia. The balance was unsecured, interest free payable upon the completion of construction projects.

Trade receivables

The Group allows an average credit period of 30 to 45 days (31 March 2025: 30 to 45 days) to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the Reporting Period.

	30 September 2025 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
Within 30 days	61	54,627
61 to 90 days	–	5,402
181 to 365 days	34,672	13,578
Over 1 year	14,011	583
	48,744	74,190

Aging analysis of trade receivable by due dates are as follows:

	30 September 2025 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
Not past due	61	20,637
Past due for less than 3 months	–	39,392
Past due for 6 months to 1 year	34,672	13,578
Past due for over 1 years	14,011	583
	48,744	74,190

14. TRADE AND OTHER PAYABLES

	30 September 2025 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
Trade payables	39,895	63,814
Retention payables	1,998	1,934
Amount due to non-controlling interest of a subsidiary – <i>Note</i>	12,598	12,598
Accrued construction cost	17,079	16,743
Other payables and accruals	2,603	2,794
Other tax payable	134	132
	<u>74,307</u>	<u>98,015</u>

Note: The balance is unsecured, non-interest bearing and repayable on demand.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the Reporting Period.

	30 September 2025 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
Within 30 days	60	26,087
More than 30 days but within 90 days	–	12,184
More than 90 days	39,835	25,543
	<u>39,895</u>	<u>63,814</u>

The credit period on purchases of goods is 30 to 45 days.

15. BANK BORROWINGS

	30 September 2025 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
Secured bank loans	<u>7,382</u>	<u>7,652</u>
Carrying amount repayable based on scheduled repayment dates set out in the loan agreements:		
	30 September 2025 <i>HK\$'000</i> (Unaudited)	31 March 2025 <i>HK\$'000</i> (Audited)
Within one year or repayable on demand	562	546
More than one year, but not exceeding two years	577	561
More than two years, but not exceeding five years	1,825	1,779
More than five years	<u>4,418</u>	<u>4,766</u>
	<u>7,382</u>	<u>7,652</u>
Less: Amounts due within one year shown under current liabilities		
– Carrying amount of bank borrowings that are not repayable within one year but contain a repayment on demand clause	(6,820)	(7,106)
– Carrying amount of bank borrowings repayable within one year and contain a repayable on demand clause	<u>(562)</u>	<u>(546)</u>
	<u>(7,382)</u>	<u>(7,652)</u>
Amounts classified as non-current portion	<u>–</u>	<u>–</u>

During the Reporting Period, secured bank borrowings bore floating interest rates of 2.65% to 3.75% (six months ended 30 September 2024: 2.75% to 3.13%) per annum.

Certain bank loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the draw down facilities would become repayable on demand. In addition, the Group's certain loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The management regularly monitors its compliance with these covenants and does not consider that it is probable that the banks will exercise their discretionary rights to demand immediate repayment for so long as the Group continues to meet these requirements.

As at 30 September 2025, the Group's bank borrowings of HK\$7,382,000 (31 March 2025: HK\$7,652,000) are secured by the leasehold land and building with carrying amount of HK\$22,271,000 (2025: HK\$22,600,000) (Note 10);

16. SHARE CAPITAL

	Number	Amount HK\$'000
Authorised:		
<i>Ordinary shares of HK\$0.01 each</i>		
At 31 March 2025 and 30 September 2025	10,000,000,000	100,000
Issued and fully paid:		
<i>Ordinary shares of HK\$0.01 each</i>		
At 31 March 2025 and 30 September 2025	1,869,159,962	18,692

17. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions during the Reporting Period:

Name of related parties	Nature of transactions	Six months ended 30 September	
		2025	2024
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Jiangsu Provincial Construction Group Co. Ltd.*	Financial Guarantee (a)	26,601	27,559
Sino Coronet Group Limited	Amount due to immediate holding company	29,524	63,305

* The English name is for identification purpose only

(a) Jiangsu Provincial Construction Group Co. Ltd. is a substantial shareholder of the Group. The amount due to related company is unsecured, interest free and repayable on demand.

Key management compensation amounted to approximately HK\$3,418,000 for the Reporting Period (six months ended 30 September 2024: HK\$4,162,000).

18. DIVIDENDS

No interim dividend was declared by the Company for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

19. DISCONTINUED OPERATIONS

On 31 March 2025, the Group disposed of Win Vision Holdings Limited and its subsidiaries, and discontinued all the businesses of provision of engineering constructions in Hong Kong.

The results of discontinued operations are as follows:

		Unaudited	
		Six months ended	
		30 September	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(restated)
Revenue	5	–	69,777
Cost of sales and services rendered		–	(72,908)
Gross loss		–	(3,131)
Other income		–	1,234
Other gains, net		–	393
Administrative expenses		–	(8,211)
Finance costs	6	–	(4,002)
Loss before income tax	8	–	(13,717)
Income tax credit		–	–
Loss for the period from discontinued operations		–	(13,717)

20. SUBSEQUENT EVENTS

There are no significant events which have taken place subsequent to 30 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the financial period under review, the Group's loss for the period significantly narrowed to approximately HK\$5.9 million, compared to a loss of approximately HK\$23.3 million for the corresponding period last year. This substantial improvement was mainly attributable to the major corporate restructuring completed in March 2025, which involved the disposal of the Group's wholly-owned subsidiary, Win Vision Holdings Limited, together with its subsidiaries (collectively referred to as the **"Disposal Group"**). The Disposal Group was principally engaged in civil engineering operations in Hong Kong and recorded a loss of approximately HK\$13.7 million during the corresponding period last year. No such loss was recorded in the current period following the disposal.

During the period, the majority of the Group's revenue was derived from construction contracts in Cambodia, including a project for the construction of a factory for a well-known tyre manufacturer. For the six months ended 31 March 2025, the Group's construction projects in Cambodia generated revenue of approximately HK\$86.0 million, with a corresponding gross profit of approximately HK\$1.7 million.

Although the gross profit generated during the period was insufficient to cover the Group's administrative and other operating expenses, the management has continued to devote considerable effort and resources to expanding the Group's construction business in Southeast Asia and the trading of chemical materials in Mainland China, with the objective of enhancing overall profitability to better absorb the Group's operating costs.

Through ongoing operational reviews, cost-control measures, and strategic business development, the Group remains committed to enhancing long-term profitability, strengthening its business foundation, and pursuing sustainable growth in the years ahead. Looking forward, by leveraging the support from the business network of the Group's largest shareholder and the expertise of our experienced project management team, the Group will continue to explore potential business opportunities, particularly in Malaysia, the PRC, and Cambodia.

FINANCIAL REVIEW

Revenue – Continuing Operations

For the six months ended 31 March 2025, the Group's total revenue from continuing operations amounted to approximately HK\$110.4 million (2024: HK\$119.6 million).

In the construction-related segment, revenue increased to approximately HK\$88.4 million, compared to HK\$64.2 million in the same period last year. The increase was primarily attributable to the contribution of approximately HK\$86.0 million from construction contracts in Cambodia. This positive impact was partially offset by a HK\$44.0 million decrease in revenue from private construction projects in Malaysia, as several projects have been completed during the period.

In the trading segment, the Group recorded revenue of approximately HK\$22.0 million, compared to approximately HK\$55.4 million for the corresponding period last year, primarily due to lower trading volumes during the current period.

Cost of Services and gross profit – Continuing Operations

The cost of services in the construction-related segment increased to approximately HK\$86.6 million (2024: HK\$63.6 million), generally in line with the increase in revenue. This segment reported a gross profit of approximately HK\$1.8 million, compared to a gross profit of approximately HK\$0.6 million for the six months ended 30 September 2024.

For the trading segment, the cost of sales amounted to approximately HK\$21.7 million (2024: HK\$54.1 million), resulting in a gross profit of approximately HK\$0.3 million, compared to approximately HK\$1.3 million for the same period last year. The decline was primarily attributable to reduced trading volume and lower gross margin during the period.

Administrative Expenses – Continuing Operations

Administrative expenses for the reporting period amounted to approximately HK\$7.4 million, representing a decrease from approximately HK\$11.6 million for the six months ended 30 September 2024. This reduction was mainly attributable to a decrease in staff costs at the Hong Kong office by approximately HK\$3.0 million, reflecting the positive impact of management's efficiency-improving and cost-control measures implemented during the period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and facilities provided by banks. As at 30 September 2025, the Group had bank balances and cash of approximately HK\$6.6 million (31 March 2025: approximately HK\$14.5 million), while outstanding borrowings amounted to approximately HK\$7.4 million (31 March 2025: approximately HK\$7.7 million). The change in bank balances and cash was mainly attributable to (i) net cash outflow from operating activities approximately of HK\$8.5 million; (ii) cash outflow from net decrease of bank borrowings amounted to approximately HK\$0.3 million; and (iii) net cash inflow from advance from a related company approximately HK\$0.6 million. The current ratio, calculated based on current assets divided by current liabilities, was approximately 1.14 times as at 30 September 2025 (31 March 2025: approximately 1.13 times). Gearing ratio, calculated based on the net debt divided by total capital plus net debt, was approximately 29.3% (31 March 2025: approximately 22.6%). Net debt is calculated as the total of amount due to a related company, bank borrowings and lease liabilities and less bank balances and cash. Capital includes equity attributable to owners of the Company.

The Group mainly operates in Hong Kong, Cambodia, Philippines, Mainland China and Malaysia with most of the transactions originally denominated in the respective local currency or United States Dollar. Foreign exchange risk arises when future commercial transactions or recognised financial assets or liabilities are denominated in a currency that is not the entity's functional currency. As at 30 September 2025, the Group is exposed to foreign exchange risk from various currencies, primarily with respect to United States Dollar (“USD”), Philippine peso (“PHP”), Renminbi (“RMB”) and Malaysian Ringgit (“MYR”).

Except for receivables in relation to a performance deposit paid to land owners and certain contract assets and trade receivable denominated in RMB, deposit paid to land owners and certain receivables denominated in PHP, which is approximately HK\$40.1 million, HK\$34.7 million, HK\$47.7 million, HK\$26.6 million and HK\$13.4 million respectively, the Group would not be exposed to any other significant exchange risk. Also, the Group currently does not use derivatives to hedge against the interest rate risk. However, the Group will monitor interest rate exposure and consider hedging significant interest rate exposure should the need arise.

As at 30 September 2025, the Group did not have any capital commitments (31 March 2025: Nil). As at 30 September 2025, the Group had no material contingent liabilities (31 March 2025: Nil).

CAPITAL STRUCTURE

The share capital of the Group only comprises of ordinary shares. There has been no change in the capital structure of the Group during the Reporting Period. As at 30 September 2025, the Company's issued share capital was approximately HK\$18.7 million and the number of its issued ordinary shares was 1,869,159,962 of HK\$0.01 each.

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 30 September 2025, the Group had a total of 16 (31 March 2025: 16) employees, including the Directors. Remuneration of the employees is determined with reference to market terms and the performance, qualification and experience of individual employees. Staff costs for the Reporting Period were approximately HK\$4.1 million (six months ended 30 September 2024: approximately HK\$7.1 million). 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Practices

The board of directors (the “**Board**”) has adopted and complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company has complied with the code provisions in the CG Code during the Reporting Period.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all the Directors, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period.

Audit Committee

The Company established an Audit Committee and the written terms of reference are available on the websites of the Stock Exchange and the Company. The Audit Committee consists of three Independent Non-executive Directors, namely Mr. Lum Pak Sum, Prof. Lam Sing Kwong Simon and Mr. Gong Zhenzhi. Mr. Lum Pak Sum is the chairman of the Audit Committee and has appropriate professional qualifications and experience in accounting matters. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Reporting Period. The Audit Committee has also reviewed the interim report, which was based on (i) the accounting policies and practices adopted by the Group, and (ii) the unaudited condensed consolidated financial statements of the Group for the Reporting Period.

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

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

DIVIDENDS

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

SIGNIFICANT MATTER AFTER THE END OF THE REPORTING PERIOD

There were no events that had a material impact on the Group after the end of the Reporting Period and up to the date of this announcement.

PUBLICATION OF 2025 INTERIM REPORT

The 2025 interim 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 <https://en.kwanonholdings.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, 28 November 2025

As at the date of this announcement, the Executive Directors are Mr. Chen Zhenghua, Mr. Zhang Fangbing, and Mr. Sun Xiaoran; 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.