TSUN YIP HOLDINGS LIMITED
進業控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8356)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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

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

FINANCIAL HIGHLIGHTS

Consolidated Results

For the year ended 31 March

	Changes	**2026**	2025
		HK$'000	*HK$'000*
Revenue	12.0%	**410,140**	366,071
Gross profit	104.3%	**20,294**	9,933
Profit/(loss) before income tax	164.4%	**7,660**	(11,903)
Profit/(loss) attributable to the owners of the Company	167.0%	**7,601**	(11,341)
Basic earnings/(loss) per Share *(HK cents)*	160.2%	**12.1**	(20.1)

Consolidated Financial Position

As at 31 March

	Changes	**2026**	2025
		HK$'000	*HK$'000*
Total assets	-15.0%	**140,853**	165,649
Cash and cash equivalents	-4.2%	**53,735**	56,120
Total liabilities	-16.1%	**172,488**	205,514
Equity attributable to the owners of the Company	18.6%	**(33,329)**	(40,930)

Ratios

As at 31 March

	2026	2025
Return on equity *(Note a)*	**N/A**	N/A
Return on assets *(Note b)*	**5.7%**	-7.2%
Current ratio *(Note c)*	**1.01 times**	0.90 time
Gearing ratio *(Note d)*	**72.8%**	60.5%

Notes:

(a) Return on equity is calculated as net profit/(loss) divided by Shareholders' equity.

(b) Return on assets is calculated as net profit/(loss) divided by total assets.

(c) Current ratio is calculated as total current assets divided by total current liabilities.

(d) Gearing ratio is calculated as total amount of promissory note, lease liabilities and contract liabilities divided by total assets.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Company"	Tsun Yip Holdings Limited (進業控股有限公司), a company incorporated in the Cayman Islands with limited liability on 15 March 2010
"Director(s)"	director(s) of the Company
"Financial Statements"	the audited financial statements of the Group for the year ended 31 March 2026
"GEM"	the GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Government"	the Government of Hong Kong
"Group"	the Company and its subsidiaries
"HK$" and "HK cent(s)"	Hong Kong dollar(s) and cent(s), respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Macau"	the Macau Special Administrative Region of the PRC
"Mr. Kan"	Mr. Kan Kwok Cheung (簡國祥), an executive Director and the substantial shareholder of the Company
"PRC"	the People's Republic of China, excluding Hong Kong, Macau and Taiwan

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended or otherwise modified from time to time
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

The Board is pleased to present the consolidated results of the Group for the year ended 31 March 2026 together with the comparative figures for 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

		2026	2025
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**410,140**	366,071
Cost of services		**(389,846)**	(356,138)
Gross profit		**20,294**	9,933
Other income	*5*	**4,629**	4,309
Other gains, net	*6*	**544**	4,954
Administrative and operating expenses		**(12,238)**	(25,681)
Profit/(loss) from operations	*8*	**13,229**	(6,485)
Finance costs	*9*	**(5,569)**	(5,418)
Profit/(loss) before income tax		**7,660**	(11,903)
Income tax credit/(expense)	*10*	**435**	(56)
Profit/(loss) for the year		**8,095**	(11,959)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**–***	–*
Total comprehensive income/(loss) for the year		**8,095**	(11,959)

* *The amount is less than HK$1,000.*

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Profit/(loss) for the year attributable to:			
– Owners of the Company		**7,601**	(11,341)
– Non-controlling interest		**494**	(618)
		8,095	(11,959)
Total comprehensive income/(loss) for the year attributable to			
– Owners of the Company		**7,601**	(11,341)
– Non-controlling interest		**494**	(618)
		8,095	(11,959)
Earnings/(loss) per share attributable to owners of the Company			
– Basic *(HK cents)*	*12*	**12.1**	(20.1)
– Diluted *(HK cents)*		**12.1**	(20.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Non-current assets			
Property, plant and equipment		**11,572**	15,095
Right-of-use assets		**1,364**	1,614
Deposit paid for acquisition of property, plant and equipment	*13*	**–**	1,385
		12,936	18,094
Current assets			
Trade and other receivables	*13*	**60,283**	82,047
Contract assets		**13,866**	9,367
Tax recoverable		**33**	21
Cash and cash equivalents		**53,735**	56,120
		127,917	147,555
Total assets		**140,853**	165,649
Current liabilities			
Trade and other payables	*14*	**61,700**	94,532
Contract liabilities		**56,929**	59,713
Lease liabilities		**909**	1,120
Employee benefits		**7,238**	9,399
		126,776	164,764
Net current assets/(liabilities)		**1,141**	(17,209)
Total assets less current liabilities		**14,077**	885

	2026	2025
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**517**	588
Promissory note	**44,223**	38,749
Deferred tax liabilities	**972**	1,413
	45,712	40,750
Total liabilities	**172,488**	205,514
Net liabilities	**(31,635)**	(39,865)
Capital and reserves		
Share capital	**7,491**	5,722
Reserves	**(40,820)**	(46,652)
	(33,329)	(40,930)
Non-controlling interests	**1,694**	1,065
Total equity	**(31,635)**	(39,865)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands on 15 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office and principal place of business of the Company are located at the offices of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Unit M&N, 8/F, Hi-Speed Centre 1,18 On Chuen Street, Fanling, New Territories respectively.

The substantial shareholder of the Company is Mr. Kan Kwok Cheung, an executive director of the Company. As at the date of this announcement, Mr. Kan Kwok Cheung owns 43.6% issued shares capital of the Company.

The Shares of the Company were listed on GEM of the Stock Exchange on 30 August 2010.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") ACCOUNTING STANDARDS

(i) Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual 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 Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(ii) 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:

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]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[2]

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 *The effective date to be determined.*

The directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PRESENTATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

(b) Going concern basis

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group notwithstanding that the Group had net liabilities of approximately HK$31,635,000.

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

- Mr. Kan Kwok Cheung, an executive director and substantial shareholder of the Company, provided and had undertaken to provide continuous financial support to the Group to enable it to have sufficient liquidity to finance its operations; and

- The management is endeavoring to improve the Group's operating results and cash flows through cost control measures and will focus on the existing business of the Group by actively engaged into new construction projects.

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

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

(c) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand dollars (HK$'000) except otherwise indicated.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2026	2025
	HK$'000	*HK$'000*
Construction works	**410,140**	366,071
Revenue recognised over time	**410,140**	366,071

(ii) Transaction price allocated to the remaining performance obligation for contracts with customers

The aggregated amount of the transaction price allocated to the remaining performance obligation under the Group's existing contracts is as follow:

	2026	2025
	HK$'000	*HK$'000*
Within one year	**408,592**	357,287
More than one year	**354,697**	796,236
Revenue recognised over time	**763,289**	1,153,523

This amount represents revenue expected to be recognised in the future from pre-completion construction contracts entered into by the customers with the Group.

5. OTHER INCOME

	2026	2025
	HK$'000	*HK$'000*
Interest income	**20**	120
Government subsidies *(Note)*	**751**	703
Sundry income *(Note)*	**3,858**	3,486
	4,629	4,309

Note: During the year ended 31 March 2026, the Group recognised government subsidy from Construction Industry Council of approximately HK$250,000 (2025: HK$703,000). and from the Construction Innovation and Technology Fund of approximately HK$441,000 (2025: HK$nil) and from Labour Department of approximately HK$60,000 (2025: HK$nil).

During the year ended 31 March 2026, the Group recognized management fee income of approximately HK$3,164,000 (2025: HK$NIL) from a joint venture for acting as the project manager, and sale of scrap materials of approximately HK$642,000 (2025: HK$2,688,000).

6. OTHER GAINS, NET

	2026	2025
	HK$'000	*HK$'000*
Exchange gain, net	**3**	6
Net gain on disposal of property, plant and equipment	**328**	869
Reversal of allowance for expected credit loss ("ECL") recognised for trade receivables, net	**250**	540
Reversal of allowance for/(allowance for) expected credit loss recognised for other receivables and deposits, net	**8**	(10)
Allowance for expected credit loss recognised for contract assets, net	**(45)**	(13,741)
Gain on modification of promissory note	**–**	17,290
	544	4,954

7. SEGMENT INFORMATION

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

Geographical information

Revenue from external customers of the Group was all derived Hong Kong for the years ended 31 March 2026 and 2025.

All non-current assets are located in Hong Kong.

Information about major customers

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

	2026	2025
	HK$'000	*HK$'000*
Customer A	**164,230**	108,654
Customer B	**130,785**	105,965
Customer C *(Note (i))*	**67,465**	–
Customer D *(Note (i))*	**–**	49,586

Notes:

(i) The corresponding revenue did not contribute over 10% of the Group's revenue for the respective year.

8. PROFIT/(LOSS) FROM OPERATIONS

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) from operations has been arrived at after charging:		
Contract costs recognised as expenses*	**389,846**	356,138
Auditors' remuneration	**650**	650
Depreciation of property, plant and equipment**	**8,592**	7,842
Depreciation of right-of-use assets***	**1,251**	2,386
Staff costs****	**114,290**	116,444
Expenses relating to short-term leases	**651**	859

* *Contract costs recognised as expenses mainly include subcontracting fee of approximately HK$159,093,000 (2025: HK$155,011,000) and raw materials of approximately HK$33,474,000 (2025: HK$27,679,000).*

** *Depreciation of property, plant and equipment of approximately HK$7,862,000 (2025: HK$7,164,000) and HK$730,000 (2025: HK$678,000) have been separately expensed in cost of services and administrative and operating expenses respectively.*

*** *Depreciation of right-of-use assets of approximately HK$nil (2025: HK$1,158,000) and HK$1,251,000 (2025: HK$ 1,228,000) have been separately expensed in cost of services and administrative and operating expenses respectively.*

**** *Included in the staff costs, approximately HK$111,120,000 (2025: HK$107,237,000) was charged in cost of services.*

9. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on:		
Lease liabilities	**95**	187
Promissory note	**5,474**	4,914
Default interest of convertible notes	**–**	317
	5,569	5,418

10. INCOME TAX (CREDIT)/EXPENSE

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

	2026	2025
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
– tax for the year	**6**	132
Deferred tax		
– provision for the year	**(441)**	(76)
Income tax (credit)/expense	**(435)**	56

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

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

Under the prevailing tax law in the PRC, the Enterprise Income Tax rate of the subsidiary of the Company incorporated in the PRC is 25% (2025: 25%).

11. DIVIDENDS

The board of directors does not recommend the payments of any dividend in respect of the year ended 31 March 2026 (2025: nil).

12. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	2026	2025
	HK$'000	*HK$'000*
Earnings/(Loss)		
Profit/(loss) for the year attributable to the owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**7,601**	(11,341)
	Number of shares	
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**62,599,262**	56,508,897

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the conversion of convertible notes on 11 December 2025.

Diluted loss per share for the year ended 31 March 2025 are the same as the basic loss per share. The calculation of the diluted loss per share for the year ended 31 March 2025 did not assume the conversion of convertible bonds as the effect is anti-dilutive.

No diluted earnings per share for the year ended 31 March 2026 was presented as there was no potential ordinary shares in issue at 31 March 2026.

13. TRADE AND OTHER RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables *(Note (i))*	**19,550**	24,237
Allowance for ECL	**(139)**	(389)
	19,411	23,848
Other receivables	**946**	443
Deposits	**4,242**	5,182
Allowance for ECL	**(31)**	(39)
	5,157	5,586
Prepayment *(Note (ii))*	**35,715**	53,998
	60,283	83,432
Less: Trade and other receivables within twelve months shown under current assets	**(60,283)**	(82,047)
Deposits shown under non-current assets	**–**	1,385

Notes:

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

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

	2026	2025
	HK$'000	*HK$'000*
Current to 1 month	**19,411**	23,848
	19,411	23,848

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

(ii) As at 31 March 2026, prepayments mainly comprised advance payment to subcontractors of approximately HK$21,868,000 (2025: HK$32,187,000) and prepaid insurance of approximately HK$13,581,000 (2025: HK$21,339,000).

14. TRADE AND OTHER PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Trade payables	**24,511**	30,181
Retention money payables	**20,118**	35,348
Other payables and accruals *(Note)*	**17,071**	29,003
	61,700	94,532

Notes:

As at 31 March 2026, the other payables mainly comprised of amounts due to other parties of joint operations of approximately HK$2,827,000 (2025: HK$9,020,000). The amounts are unsecured, interest-free and repayable on demand.

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

	2026	2025
	HK$'000	*HK$'000*
Current to 1 month	**21,573**	17,855
More than 1 month but less than 3 months	**–**	270
More than 3 months but less than 12 months	**20**	9,279
More than 12 months	**2,918**	2,777
	24,511	30,181

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the consolidated financial statements of the Group for the year ended 31 March 2026:

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3(b) in the consolidated financial statements, which indicates that the Group had net liabilities of approximately HK$31,635,000. As stated in Note 3(b), these events or conditions, along with other matters as set forth in Note 3(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the provision of civil engineering services for the public sector in Hong Kong. During the year ended 31 March 2026, the Group continued to focus on rendering civil engineering services to the public sector in Hong Kong.

Major projects awarded and undertaken as at 31 March 2026

During the year ended 31 March 2026, the Group has been undertaking four contracts. Among the four contracts, one of these is related to provision of waterworks engineering services and the remaining contracts are related to provision of drainage services and site formation services. Details of the contracts undertaken are set out below:

Contract number	Particulars of contract	Client	Contract period under main contracts or expected completion date
Subcontracts			
ND/2018/02	The Establishment of an Agricultural Park in Kwu Tung South (Phase 1)	Harvest – Tsun Yip Joint Venture	Oct 2020 – June 2026
Joint Operations			
ND/2018/02	The Establishment of an Agricultural Park in Kwu Tung South (Phase 1)	Civil Engineering and Development Department of the Government	Oct 2020 – June 2026
4/WSD/19	Development of Anderson Road Quarry site – construction of grey water treatment plant	Water Supplies Department of the Government	Sep 2020 – Sept 2026
CV/2022/08	Site Formation and Infrastructure Works at Area 48, Fanling	Civil Engineering and Development Department of the Government	Jan 2023 – Jan 2027
ND/2024/06	Fanling North New Development Area, Remaining Phase: Fresh Water and Flushing Water Service Reservoirs and Associated Works	Civil Engineering and Development Department of the Government	July 2024 – Oct 2027

Total contract value
HK$2,001.2 million

Total amount of works certified *(Note)*
HK$1,294.5 million

Note: Amount of works certified is based on the certificates of payment received from client.

During the year ended 31 March 2026, contracts with contract numbered CV/2022/08 and ND/2024/06 were the main contributors to the Group's revenue, which generated approximately HK$186.9 million and approximately HK$164.9 million, constituting approximately 45.6% and 40.2% of the Group's total revenue respectively.

Financial Review

Revenue

For the year ended 31 March 2026, the Group reported a revenue of approximately HK$410.1 million (2025: approximately HK$366.1 million), representing an increase of approximately 12.0% as compared with that for the previous year. During the year, certain existing projects entered the peak construction period successively, which led to an increase in revenue contribution.

During the year ended 31 March 2026, the revenue of the Group was primarily generated from the undertaking of civil engineering contracts in the capacity of a subcontractor and joint ventures. The breakdown of total revenue by nature of capacity of the Group is set forth below:

	For the year ended 31 March			
	2026		2025	
	HK$'000	***% of total***	*HK$'000*	*% of total*
Subcontractor	**220,659**	**53.8**	207,830	56.8
Jointly controlled operations	**189,481**	**46.2**	158,241	43.2
Total	**410,140**	**100.0**	366,071	100.0

Cost of services

The Group's cost of services increased by approximately 9.5% to approximately HK$389.8 million (2025: approximately HK$356.1 million) for the year ended 31 March 2026 as compared with that for the previous year. The Group's cost of services mainly includes costs of construction services. Costs of construction services mainly comprise raw materials, direct labour and subcontracting fee for services provided by the subcontractors. The increase in cost of services was in line with the overall increase in work orders of existing projects at peak construction stage during the year ended 31 March 2026. The following table sets out a breakdown of the Group's cost of services:

	For the year ended 31 March			
	2026		2025	
	HK$'000	***% of total***	*HK$'000*	*% of total*
Costs of construction services				
Raw materials	**33,474**	**8.6**	27,679	7.8
Direct labour	**111,120**	**28.5**	107,237	30.1
Subcontracting fee	**159,093**	**40.8**	155,011	43.5
Other direct costs	**86,159**	**22.1**	66,211	18.6
Total	**389,846**	**100.0**	356,138	100.0

Gross profit

The gross profit for the Group for the year increased by approximately 104.3% to approximately HK$20.3 million (2025: approximately HK$9.9 million) for the year ended 31 March 2026 as compared with that for the previous year. The gross profit margin of the Group amounted to approximately 4.9% (2025: approximately 2.7%) for the year ended 31 March 2026. The increase in gross profit and the improved gross profit margin were mainly driven by higher margins derived from certain civil engineering projects during their peak construction periods, alongside a decrease in subcontracting costs resulting from the successful negotiation and finalisation of accounts for a completed project with a subcontractor. This improvement was partially offset by extra construction costs incurred for certain civil engineering projects reaching their maintenance periods or near-completion stages.

Other income

The Group's other income for the year ended 31 March 2026 increased by approximately 7.4% to approximately HK$4.6 million (2025: approximately HK$4.3 million) as compared with that for the previous year. The other income mainly consisted of interest income and management fee received from the joint venture.

Other gains, net

The Group's other gains, net for the year ended 31 March 2026 decreased by approximately 89.0% to approximately HK$0.5 million (2025: approximately HK$5.0 million) as compared with that for the previous year. The decrease in other gains, net was mainly due to net effect of (i) absence of one-off recognition of gains on modification of promissory note of approximately HK$17.3 million due to extension of maturity date of promissory note recognized for the year ended 31 March 2025 and (ii) a significant decrease in the provision for expected credit losses, compared to the provision of approximately HK$13.2 million made for the year ended 31 March 2025 due to increased credit risk on the Group's receivables from a wound-up customer.

Administrative and operating expenses

The Group's administrative and operating expenses for the year ended 31 March 2026 decreased by approximately 52.3% to approximately HK$12.2 million (2025: approximately HK$25.7 million) as compared with that for the previous year. The administrative and operating expenses mainly consisted of auditors' remuneration, legal and professional fees, staff costs (including Directors' remuneration) and depreciation expenses. The decrease in administrative and operating expenses was mainly due to the reduction in (i) legal and professional fee paid for the special deals including extension and issuance of convertible bonds, share consolidation and change of company name and (ii) the provision of long service payment arising from abolition of the Mandatory Provident Fund – Long Service Payment offsetting mechanism.

Finance costs

The Group's finance costs for the year ended 31 March 2026 increased by approximately 2.8% to approximately HK$5.6 million (2025: approximately HK$5.4 million) as compared with that for the previous year. The finance costs mainly consist of interest expenses for the promissory note.

Impairment assessment of contract assets and receivables

According to the policy of impairment provision of receivables of the Group, the Group performs impairment assessment under expected credit loss model on trade balances individually or based on collective assessment. Except for debtors with significant outstanding balances or credit-impaired, which are assessed for impairment individually, the remaining trade receivables and contract assets of trade nature have been grouped based on shared credit risk characteristics and aging.

During the year ended 31 March 2026, the Group made a provision to expected credit losses allowance of approximately HK$45,000 (2025: provision of approximately HK$13.7 million) and reversal of approximately HK$0.3 million (2025: approximately HK$0.5 million) for contract assets and trade and other receivables respectively based on the impairment assessment. According to the policy of impairment provision of receivables of the Group, the Group: (i) has decided the receivable portfolio by using aging as the credit risk characteristics, and has made provisions for doubtful debts for trade receivables and other receivables based on the aging analysis approach, and (ii) has sorted the customers against whom the provisions for doubtful debts has been made, and has estimated the expected credit loss, taking into account the recoverability of certain receivables, in order to estimate the impairment provisions for receivables. The overall decrease in provision of expected credit losses for the year ended 31 March 2026 was mainly due to the absence of one-off in provision of expected credit losses on contract assets on a credit-impaired customer previously recognised during the year ended 31 March 2025.

Net profit/(loss)

The net profit of the Group for the year ended 31 March 2026 was amounted to approximately HK$8.1 million (2025: net loss of approximately HK$12.0 million). The turnaround from net loss to net profit was mainly due to combined effect of (i) increase in revenue and gross profit, (ii) decrease in provision of expected credit losses and (iii) decrease in administrative and operating expenses partially offset by the absence of one-off recognition of gain on modification of promissory note.

Earnings/(loss) per Share

The basic earnings per Share attributable to the owners of the Company for the year ended 31 March 2026 was approximately HK12.1cents (2025: basic loss per Share of approximately HK20.1 cents).

Prospects

Looking ahead, the Board anticipates that the forthcoming financial years will remain competitive and challenging for civil engineering operations. The industry continues to face persistent structural issues, including critical increase manpower and subcontracting costs and elevated technical requirements for project bidding.

In response, the Group will maintain a strictly prudent strategy. The Group will implement a more cautious approach to project selection, selectively submitting tenders alongside well-established contractors and reputable business partners to ensure our receivables remain sound and our projects remains steady. In every tendering opportunity, the Group aims to strike a delicate balance between winning contracts at competitive margins and generating reasonable profits for the shareholders of the Company.

To drive long-term development, the Group are actively working to broaden and diversify our business scope. Leveraging our proven track record, long-established industry relationships, and strict cost control measures, it is confident that the Group will strengthen its market position, expand our customer base, and deliver promising returns to the shareholders of the Company.

Capital Structure

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

Total equity attributable to the owners of the Company amounted to approximately HK$33.3 million in deficit as at 31 March 2026 (31 March 2025: approximately HK$40.9 million in deficit). The increase in equity was mainly due to the net profit for the year.

Reference to the announcement of the Company dated 9 December 2025, the Company received a conversion notice from China Xinhua News Network Co., Limited, the holder of convertible bonds to convert the convertible bonds in aggregate principal amount of HK$337,398,065 into 17,688,018 shares of the Company. Allotment and issue of 17,688,018 Shares upon conversion of convertible bonds was completed on 11 December 2025. The details of the convertible bonds are disclosed in the announcements of the Company dated 15 January 2024, 5 February 2024, 15 April 2024, 18 June 2024 and 9 December 2025 and the circular of the Company dated 15 March 2024.

Liquidity and Financial Resources

During the year ended 31 March 2026, the Group generally financed its operations through internally generated cash flows.

As at 31 March 2026, the Group had net current assets of approximately HK$1.1 million (31 March 2025: net current liabilities approximately HK$17.2 million), including cash balance of approximately HK$53.7 million (31 March 2025: approximately HK$56.1 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 1.01 as at 31 March 2026 (31 March 2025: approximately 0.90).

Gearing Ratio

The gearing ratio, which is based on the total amount of promissory note, lease liabilities and contract liabilities divided by total assets, was approximately 72.8% as at 31 March 2026 (31 March 2025: approximately 60.5%).

Foreign Exchange Exposure

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity. During the year ended 31 March 2026 the Group was mainly exposed to foreign currency exchange risk of Renminbi and the management mainly monitored the foreign currency exchange risk with advices from the Group's major banks.

Capital Commitment

As at 31 March 2026, the Group did not have any significant capital commitments.

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

Charges on the Group's Assets

As at 31 March 2026 and 31 March 2025, the Group did not have any assets held under finance lease.

Contingent Liabilities

As at 31 March 2026 and 31 March 2025, the Group did not have any material contingent liabilities.

Information on Employees

As at 31 March 2026, the Group had 203 full-time staff in Hong Kong and over 90% of them are direct labour. Total staff costs (including Directors' remuneration) for the year ended 31 March 2026 amounted to approximately HK$114.3 million (2025: approximately HK$116.4 million), representing a decrease of approximately 1.8% over that for the previous year. The decrease was mainly due to the effective cost control implemented during the year.

Significant Investment Held

Except for investment in subsidiaries, during the year ended 31 March 2026 and as at the end of the reporting period, the Group did not hold any significant investment in equity interest in any company.

Future Plans for Material Investments and Capital Assets

As at 31 March 2026, the Group did not have other plans for material investments and capital assets.

Treasury Policy

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

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year ended 31 March 2026, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares during the year ended 31 March 2026.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results.

The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the year ended 31 March 2026. The Company was not aware of any non-compliance in this respect throughout the year ended 31 March 2026.

EVENTS AFTER THE REPORTING PERIOD

Save for disclosed in this announcement, no significant event has taken place subsequent to 31 March 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance the performance of the Group.

The Company has applied the principles and code provisions in the Code on Corporate Governance Code (the "Code") as set out in Appendix C1 to the GEM Listing Rules.

In the opinion of the Board, the Company has complied with the Code throughout the year ended 31 March 2026, except for paragraphs C.1.5 and C.2.7 of the Code. This announcement further illustrates in detail as to how the Code was applied, inclusive of the considered reasons for any deviation throughout the year ended 31 March 2026.

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

Paragraph C.2.7 of the Code provides that the chairman should at least annually hold meetings with the independent non-executive Directors without the executive Directors and non-executive Directors present. Although the chairman did not hold a meeting with the independent non-executive Directors, excluding the executive Directors and non-executive Directors during the year ended 31 March 2026, he delegated the company secretary to gather any concerns and/or questions that the independent non-executive Directors might have and report to him for setting up follow-up meetings, whenever necessary, in due course.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") on 11 August 2010 with terms of reference in compliance with paragraph D.3.3 of the Code.

The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the financial statements and the interim and annual reports of the Group, and reviewing the terms of engagement and scope of audit work of the external auditors.

As at the date of this announcement, the Audit Committee comprises all three independent non-executive Directors, namely, Mr. Chin Chi Ho Stanley, Mr. Wong Chung Yip Kenneth and Mr. Lai Ah Ming Leon with Mr. Chin Chi Ho Stanley, being the chairman of the Audit Committee.

The members of the Audit Committee possess diversified industry experience and the chairman of the Audit Committee has appropriate professional qualifications and experience in accounting matters.

The Audit Committee had reviewed the Financial Statements and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made.

SCOPE OF WORK OF AUDITORS

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 year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tsunyip.hk). The annual report of the Company for the year ended 31 March 2026 containing all the information required by the GEM Listing Rules will be despatched to the Company's shareholders and available on the above websites before 31 July 2026.

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

Hong Kong, 29 June 2026

As at the date of this announcement, the Directors are Mr. Kan Kwok Cheung[1] (Chairman), Mr. Hui Ka Tsun[1], Mr. Kan Chun Ting Max[1], Ms. Lam Shun Kiu Rosita[2], Mr. Chin Chi Ho Stanley[3], Mr. Wong Chung Yip Kenneth[3] and Mr. Lai Ah Ming Leon[3].

[1] *Executive Director*

[2] *Non-executive Director*

[3] *Independent non-executive Director*

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the day of its posting and the Company's website at http://www.tsunyip.hk.