

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Kin Pang Holdings Limited
建鵬控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1722)

AUDITED ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Kin Pang Holdings Limited (the “**Company**”) is hereby to announce the audited consolidated financial information of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the corresponding year ended 31 December 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	Note	MOP'000	MOP'000
Revenue	5	675,230	582,928
Direct costs	6	<u>(668,196)</u>	<u>(572,599)</u>
Gross profit		7,034	10,329
Other income and other gains/(losses)	7	4,792	(1,096)
Administrative expenses	6	(30,985)	(29,797)
Reversal of/(provision for) impairment losses of financial assets under expected credit loss model		<u>1,085</u>	<u>(6,658)</u>
Operating loss		(18,074)	(27,222)
Finance costs	8	(3,966)	(6,182)
Share of results of investments accounted for using the equity method		<u>–</u>	<u>(25)</u>
Loss before income tax		(22,040)	(33,429)
Income tax credit/(expense)	9	<u>4,349</u>	<u>(694)</u>
Loss and total comprehensive loss for the year attributable to the owners of the Company		<u>(17,691)</u>	<u>(34,123)</u>
Loss per share attributable to owners of the Company (in MOP cents)			
Basic and diluted	11	<u>(1.61)</u>	<u>(3.12)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Note	MOP'000	MOP'000
ASSETS			
Non-current assets			
Property, plant and equipment		115,043	86,844
Right-of-use assets		2,541	5,327
Prepayments and deposits		8,311	3,039
Investments accounted for using the equity method		—	—
		<u>125,895</u>	<u>95,210</u>
Current assets			
Trade receivables	12	70,693	69,145
Prepayments, deposits, and other receivables		25,795	21,138
Contract assets		159,377	207,164
Amounts due from joint operations		5,300	6,262
Pledged bank deposits		27,245	49,883
Cash and cash equivalents		28,701	18,952
		<u>317,111</u>	<u>372,544</u>
Total assets		<u>443,006</u>	<u>467,754</u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital		11,330	11,330
Reserves		149,449	167,140
Total equity		<u>160,779</u>	<u>178,470</u>

		2024	2023
	<i>Note</i>	<i>MOP'000</i>	<i>MOP'000</i>
LIABILITIES			
Non-current liabilities			
Deferred government grants		74	239
Lease liabilities		458	2,594
Deferred tax liabilities		—	17
		532	2,850
Current liabilities			
Trade and other payables	13	164,217	182,033
Contract liabilities		1,357	—
Amounts due to joint operations		6,409	22,922
Income tax payable		1,034	5,401
Bank borrowings	14	106,371	73,212
Deferred government grants		165	165
Lease liabilities		2,142	2,701
		281,695	286,434
Total liabilities		282,227	289,284
Total equity and liabilities		443,006	467,754

NOTES

1. GENERAL INFORMATION

Kin Pang Holdings Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate and ultimate parent is Fortunate Year Investments Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability. Its ultimate controlling party is Mr. Kong Kin I (“**Mr. Kong**”), who is also the Chairman and Chief Executive Officer of the Company, and Ms. Choi Fong Lan (“**Ms. Choi**”), the spouse of Mr. Kong.

The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Hong Kong is located at Unit B, 23/F, Centre Mark II, 305–313 Queen’s Road Central, Hong Kong. The headquarter in Macau is located at L17 Pak Tak (China Civil Plaza), No. 249–263 Alameda Dr. Carlos d’Assumpção, Macau.

The principal activity of the Company and its subsidiaries is the provision of civil engineering in Macau and Hong Kong.

These consolidated financial statements are presented in thousands of Macau Pataca (“**MOP’000**”), unless otherwise stated.

2. GOING CONCERN

For the year ended 31 December 2024, the Group reported a loss attributable to owners of the Company of approximately MOP17,691,000. As at 31 December 2024, the Group breached a financial covenant in a facility agreement associated with secured bank borrowing amounted to approximately MOP3,846,000. It triggered cross-defaults of certain bank borrowings of the Group amounted to approximately MOP44,098,000. As at 31 December 2024, all the above-mentioned bank borrowings were classified as current liabilities.

In view of such circumstances, the Directors have given careful consideration of the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient resources to continue as a going concern. The Directors have reviewed the Group’s cash flow projections prepared by management, covering a period of not less than twelve months from 31 December 2024 taking into consideration the following plans and measures:

- (i) In March 2025, the bank issued a letter to waive the breached financial covenant in the facility agreement associated with the bank borrowing amounted to approximately MOP3,846,000 for the year ended 31 December 2024. Based on the latest discussion with the bank related to the bank borrowings with cross-default clause, the Directors are of the opinion that the bank will not exercise its right under the relevant cross-default clause for the demand of immediate repayment of the bank borrowings and believe that the bank borrowings will be repaid in accordance with the scheduled dates as set out in the relevant loan agreements;
- (ii) As at 31 December 2024, the Group had available committed banking facilities of MOP49,056,000. Subsequent to 31 December 2024, the Group has drawn down MOP12,770,000 from the abovementioned committed banking facilities. Based on the past experience of the Group, the Directors are of opinion that the Group will be able to obtain bank borrowings from the banking facilities, as and when needed; and
- (iii) The Group will continue its efforts to generate operating cash inflows by implementing cost control and measures expediting the collection of trade receivables and contract assets while closely monitoring its operation and take appropriate actions when necessary.

The Directors are of the opinion that, taking into account the anticipated cash flows generated from the Group's operations as well as the possible changes in its operating performance and securing of additional financing as and when needed, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Amendments to standards and interpretation adopted by the Group

The Group has applied the following amendments to standards and interpretation for the first time for their annual reporting period commencing 1 January 2024:

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

The adoption of these amendments and interpretation has had no significant impact on the results and financial position of the Group. The Group has not changed significantly on its material accounting policies or make retrospective adjustments as a result of adopting these amendments and interpretation.

(b) New and amended standards and interpretations not yet adopted

The following new and amended standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 21 and HKFRS 1	Lack of Exchangeability (Amendments)	1 January 2025
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (Amendments)	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (Amendments)	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	To be determined

In July 2024, HKICPA issued HKFRS 18 which is effective for the Group's annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The Group is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

There are no other new standards, amendments and interpretation that are not yet effective and that would be expected to have a material impact on the Group's consolidated financial statements. The Group will adopt the above new standards, amendments to existing standards and interpretations when they become effective.

4. MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

5. REVENUE AND SEGMENT INFORMATION

The Group provides building and ancillary services to its customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced at customer's site. Revenue is recognised for these construction services using output method.

The Group's chief operating decision maker (the "CODM"), which has been identified as the management of the Group, considers the segment from a business perspective and monitors the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

During the year ended 31 December 2024, the Group had one (2023: one) reportable operating segment, which was the provision of building and ancillary services.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

Year ended 31 December 2024

	Building and ancillary services <i>MOP'000</i>	Consolidated <i>MOP'000</i>
Segment revenue	<u>675,230</u>	<u>675,230</u>
Segment profit	<u>8,119</u>	8,119
Other income and other gains/(losses)		4,792
Administrative expenses		(30,985)
Finance costs		<u>(3,966)</u>
Loss before income tax		<u>(22,040)</u>

Year ended 31 December 2023

	Building and ancillary services <i>MOP'000</i>	Consolidated <i>MOP'000</i>
Segment revenue	<u>582,928</u>	<u>582,928</u>
Segment profit	<u>4,548</u>	4,548
Other income and other gains/(losses)		(1,096)
Administrative expenses		(29,797)
Finance costs		(6,182)
Share of results of investments accounted for using the equity method		(25)
Impairment losses of amount due from a joint venture under expected credit loss model		<u>(877)</u>
Loss before income tax		<u>(33,429)</u>

Segment profit represents the profit earned by each segment without allocation of other income and other gains/(losses), administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. EXPENSES BY NATURE

	2024 MOP'000	2023 MOP'000
Material and subcontractor costs	420,675	403,547
Auditor's remuneration	1,267	1,112
Depreciation of property, plant and equipment	23,480	18,690
Depreciation of right-of-use assets	2,865	2,800
Employee benefit costs (including Directors' emoluments)	151,885	111,120
Legal and professional fees	6,440	4,754
Expense relating to short-term leases	17,302	10,007
Transportation and delivery costs	42,908	26,415
Site expenses	5,641	8,654
Others	26,718	15,297
	<hr/>	<hr/>
Total direct costs and administrative expenses	699,181	602,396

7. OTHER INCOME AND OTHER GAINS/(LOSSES)

	2024 MOP'000	2023 MOP'000
Interest income	563	838
Interest income on loan to a joint operation	64	88
Income from rental of equipment	849	340
Loss on disposal of property, plant and equipment	(66)	(44)
Gain on disposal of a subsidiary	13	–
Gain on lease termination	2	1
Amortisation of deferred government grants	165	165
Loss on prepayment of property, plant and equipment (<i>Note a</i>)	–	(4,470)
Service income from a joint venture	213	–
Sundry income (<i>Note b</i>)	2,989	1,986
	<hr/>	<hr/>
	4,792	(1,096)

Notes:

- a During the year ended 31 December 2023, the Group initiated an acquisition process for a construction machinery from a supplier. Total amounts of approximately MOP4,470,000 were remitted to two bank accounts as the purchase consideration for the machinery. Subsequently, it was discovered that the email address used for communication appeared to be a hacked email address. The bank accounts designated by the suspected hacker were found to be unrelated to the supplier, and the supplier confirmed that they did not receive any payment from the Group. The directors of the Company considered that the recovery of the payment was remote, and a loss of approximately MOP4,470,000 was recognised.
- b Sundry income mainly represented sales of scrap material, insurance claims and fees charged for provision of manpower services (2023: Same).

8. FINANCE COSTS

	2024 MOP'000	2023 MOP'000
Interest expense on bank borrowings	3,693	5,588
Interest expense on bank overdrafts	25	269
Interest expense on lease liabilities	248	325
	<u>3,966</u>	<u>6,182</u>

9. INCOME TAX (CREDIT)/EXPENSE

	2024 MOP'000	2023 MOP'000
Current tax		
Macau Complementary Tax	118	677
Hong Kong Profit Tax	893	–
Over-provision in prior years (Note)	(5,343)	–
Deferred tax	(17)	17
	<u>(4,349)</u>	<u>694</u>

Macau Complementary Tax is calculated at 12% of the estimated assessable profits above MOP600,000 for the year ended 31 December 2024 (2023: Same).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands (2023: Nil).

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year ended 31 December 2024 (2023: No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits arising in Hong Kong).

Note: For the year ended 31 December 2024, the Group reversed the tax provision of approximately MOP4,346,000 made in prior years. Management have thoroughly revisited the situations and concluded that there are grounds for the reversal as the tax authority did not lodge any enquiry letter within the period of the statutory time framework. As a result, a reversal of income tax provision was made during the year. The remaining over-provision of approximately MOP997,000 represents the over-provision for the years ended 31 December 2022 and 2023, based on the tax assessments issued by the tax authority.

10. DIVIDENDS

No dividend has been declared or paid by the Company for the year ended 31 December 2024 (2023: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Loss attributable to the owners of the Company (<i>MOP'000</i>)	(17,691)	(34,123)
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>in thousands</i>)	<u>1,100,000</u>	<u>1,092,000</u>
Basic loss per share (<i>MOP cents</i>)	<u>(1.61)</u>	<u>(3.12)</u>

(b) Diluted loss per share

No diluted loss per share for both years were presented as there were no potential ordinary shares in issue for both years.

12. TRADE RECEIVABLES

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Trade receivables		
– contracts with customers	71,371	69,906
Less: loss allowance	<u>(678)</u>	<u>(761)</u>
	<u>70,693</u>	<u>69,145</u>

The Group generally allows credit period of 0 to 60 days to its customers. The ageing analysis of the trade receivables based on invoice date is as follows:

	2024 <i>MOP'000</i>	2023 <i>MOP'000</i>
Within 30 days	60,085	44,441
31 to 60 days	2,609	13,671
61 to 90 days	4,733	9,499
Over 90 days	<u>3,944</u>	<u>2,295</u>
	<u>71,371</u>	<u>69,906</u>

13. TRADE AND OTHER PAYABLES

	2024 MOP'000	2023 MOP'000
Trade payables	106,382	116,450
Retention payables	30,989	30,320
Salaries payable	14,110	18,801
Accruals and other payables	12,736	16,462
	<u>164,217</u>	<u>182,033</u>

The credit period granted to the Group by suppliers/subcontractors normally ranges from 0 to 60 days. The ageing analysis of the trade payables based on invoice date is as follows:

	2024 MOP'000	2023 MOP'000
0 to 30 days	57,251	89,447
31 to 60 days	17,570	9,341
61 to 90 days	7,535	3,607
Over 90 days	24,026	14,055
	<u>106,382</u>	<u>116,450</u>

14. BANK BORROWINGS

	2024 MOP'000	2023 MOP'000
Secured:		
– Bank overdrafts	–	2,603
– Bank borrowings	87,871	65,527
Unsecured:		
– Bank borrowings	18,500	5,082
	<u>106,371</u>	<u>73,212</u>

The bank borrowings are at floating rates which carry interests at MOP best lending rate, Macau Interbank Offered Rate (“**MIBOR**”) and Hong Kong Interbank Offered Rate (“**HIBOR**”) plus/minus a spread. The effective interest rate on the Group’s bank borrowings was 4.06% per annum for the year ended 31 December 2024 (2023: 4.38% per annum).

As at 31 December 2024, there were breaches of financial covenants in the bank borrowings with a total amount of approximately MOP3,846,000 (2023: MOP13,637,000), including secured bank overdrafts of approximately MOP Nil (2023: MOP2,603,000), secured bank borrowings of approximately MOP3,846,000 (2023: MOP10,952,000) and unsecured bank borrowings of approximately MOP Nil (2023: MOP82,000). These matters triggered cross-defaults and resulted in a breach of certain bank borrowings of the Group amounted to approximately MOP44,098,000 (2023: MOP30,418,000) as at 31 December 2024. All the above-mentioned bank borrowings and secured bank overdrafts are guaranteed by the Company and secured by pledged bank deposits and property, plant and equipment amounted to approximately MOP18,366,000 (2023: MOP40,109,000) and MOP9,128,000 (2023: MOP9,495,000), respectively.

In March 2025, the bank issued a letter to waive the breached financial covenants in the bank borrowings amounted to approximately MOP3,846,000 for the year ended 31 December 2024.

As at 31 December 2024, the remaining bank borrowings of approximately MOP58,427,000 (2023: MOP29,157,000) contain a repayment on demand clause. Out of such amounts, the bank borrowings of approximately MOP Nil (2023: MOP5,000,000) that have original contractual repayment due one to two years were classified as current liabilities (2023: Same).

The carrying amounts of bank borrowings approximate their fair values and are denominated in the following currencies.

	2024 MOP'000	2023 <i>MOP'000</i>
MOP	106,371	73,212

The Group's bank borrowings and other banking facilities (including performance guarantees) had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	2024 MOP'000	2023 <i>MOP'000</i>
Property, plant and equipment	9,128	9,495
Pledged bank deposits	27,245	49,883
	36,373	59,378

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an integrated construction contractor which provides building and ancillary services. The services are required in various building and construction projects in relation to hotel and casino resorts, infrastructures of electricity and water supply, and public amenities and utilities (such as carriageways, footpaths, drains and sewers).

The Group's revenue was derived from Macau and Hong Kong and the Group was engaged in projects in both private and public sectors. Public sector projects refer to projects of which the project employer is the Macau Government, while private sector projects refer to projects that are not within the public sector. The Group's customers mainly included (i) hotel and casino owners or their main contractors; (ii) water utility company; (iii) the Macau Government; and (iv) other private developers or their contractors.

During the year ended 31 December 2024, 29 building and ancillary services projects with an aggregate contract sum of MOP650.8 million were awarded. The Group had completed 39 building and ancillary services projects during the year ended 31 December 2024. As at 31 December 2024, the Group's backlog consisted of 21 building and ancillary services projects, which exclude those completed but not certified with an aggregate outstanding contract sum of MOP763.8 million.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue by business segments during the years ended 31 December 2024 and 2023:

	Year ended 31 December			
	2024		2023	
	MOP'000	%	MOP'000	%
Building and ancillary services	<u>675,230</u>	<u>100.0</u>	<u>582,928</u>	<u>100.0</u>

During the year ended 31 December 2024, the Group's total revenue increased by approximately MOP92.3 million or 15.8% as compared to the year ended 31 December 2023. The increase was attributable to the increase in the number of construction works performed by the Group during the year ended 31 December 2024.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately MOP3.3 million or 32.0% to approximately MOP7.0 million for the year ended 31 December 2024 from approximately MOP10.3 million for the year ended 31 December 2023. The Group's gross profit margin decreased to approximately 1.0% for the year ended 31 December 2024 from approximately 1.8% for the year ended 31 December 2023.

The decrease in gross profit for the Group during the year ended 31 December 2024 was mainly attributable to a reduction in the gross profit margin of construction projects undertaken, which were characterized by very tight profit margins. This decline was further exacerbated by an increase in construction costs due to inflation and increase in depreciation of property, plant and equipment.

Other Income and Other Gains/(Losses)

The Group's other income and other gains/losses recorded a gain of approximately MOP4.8 million for the year ended 31 December 2024 compared to a loss of approximately MOP1.1 million for the year ended 31 December 2023. Such gains were mainly attributable to the increase in sundry income during the year ended 31 December 2024 and a loss of approximately MOP4,470,000 from the fraudulent payment in relation to machinery acquisition during the year ended 31 December 2023.

Reversal of/(Provision for) Impairment Losses of Financial Assets under Expected Credit Loss Model

The Group's reversal of impairment losses of financial assets under expected credit loss ("ECL") model were approximately MOP1.1 million for the year ended 31 December 2024 and the provision for impairment losses of financial assets under ECL were approximately MOP6.7 million for the year ended 31 December 2023. The Group applied simplified approach to measuring ECL which used a lifetime ECL for all trade receivables and contract assets, and general approach to measuring ECL which used a 12-month ECL for amount due from a joint venture since initial recognition. To measure the ECL, except for certain balances of contract assets being assessed on an individual basis, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The impairment losses under ECL on the contract assets which remained unsettled for more than a year were approximately MOP5.8 million for the year ended 31 December 2024 (2023: approximately MOP7.2 million).

Administrative Expenses

The Group's administrative expenses increased by approximately MOP1.2 million or 4.0% from approximately MOP29.8 million for the year ended 31 December 2023 to approximately MOP31.0 million for the year ended 31 December 2024. Such increase was mainly attributable to increase in professional fees and stamp duties for the newly awarded projects.

Finance Costs

The Group's finance costs decreased by approximately MOP2.2 million or 35.8% from approximately MOP6.2 million for the year ended 31 December 2023 to approximately MOP4.0 million for the year ended 31 December 2024. Such decrease was mainly attributable to the decrease in interest expenses on bank borrowings as a result of the decrease in the interest rates thereon.

Income Tax Credit/(Expense)

The Group has income tax credit of approximately MOP4.3 million for the year ended 31 December 2024 compared to income tax expenses of approximately MOP0.7 million for the year ended 31 December 2023.

Loss and Total Comprehensive Loss for the Year

The Group's total comprehensive loss was approximately MOP17.7 million for the year ended 31 December 2024 compared to total comprehensive loss for the year of approximately MOP34.1 million for the year ended 31 December 2023. It was mainly attributable to the combined effect of the aforementioned items.

Basic Loss per Share

The Company's basic loss per share for the year ended 31 December 2024 was approximately MOP1.61 cents (2023: basic loss per share of approximately MOP3.12 cents).

Final Dividend

The Board does not recommend the payment of final dividend for the year ended 31 December 2024 (2023: Nil).

Property, Plant and Equipment

The Group's property, plant and equipment was approximately MOP115.0 million as at 31 December 2024 compared to approximately MOP86.8 million as at 31 December 2023. Due to business expansion, the Group acquired property, plant and equipment of approximately MOP52.1 million during the year ended 31 December 2024 (2023: approximately MOP32.7 million). The capital expenditures were financed by the proceeds from internal resources and general bank borrowings of the Group.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources and Capital Structure

As at 31 December 2024, the Group had bank balances and cash of approximately MOP28.7 million (2023: approximately MOP19.0 million).

As at 31 December 2024, the Group had an aggregate of pledged bank deposits of approximately MOP27.2 million (2023: approximately MOP49.9 million) that are used to secure banking facilities.

As at 31 December 2024, bank borrowings amounted to approximately MOP106.4 million (2023: approximately MOP73.2 million), including bank overdrafts of nil (2023: approximately MOP2.6 million). The bank borrowings amounts containing on demand clause of approximately MOP58.5 million and nil (2023: approximately MOP24.1 million and MOP5.0 million) will mature within one year and one year to two years respectively. The breach of loan covenants in bank borrowing amounts were approximately MOP47.9 million (2023: approximately MOP44.1 million).

Current ratio remained 1.1 times as at 31 December 2024 compared to 1.3 times as at 31 December 2023.

Gearing ratio is calculated based on debts divided by the total equity as at the respective reporting dates. Gearing ratio increased from 41.0% as at 31 December 2023 to 66.2% as at 31 December 2024. It was mainly due to the increase in bank borrowings during the year ended 31 December 2024.

There has been no change in the capital structure of the Group during the year ended 31 December 2024. The capital of the Group only comprises of ordinary shares. As at 31 December 2024, the share capital and equity attributable to the owners of the Company amounted to approximately MOP11.3 million and approximately MOP160.8 million, respectively (2023: approximately MOP11.3 million and approximately MOP178.5 million, respectively).

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Associates and Joint Ventures, and Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, during the year ended 31 December 2024, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures. There is no other plan for material investments or capital assets as at 31 December 2024.

Capital Commitments

As at 31 December 2024, the Group had capital commitments for purchases of property, plant and equipment of approximately MOP6.4 million (2023: approximately MOP5.4 million).

Contingent Liabilities

As at 31 December 2024, performance guarantees of approximately MOP92.1 million (2023: approximately MOP298.8 million) were given by the banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. The Group has contingent liabilities to indemnify the banks for any claims from customers under the guarantees due to the failure of the Group's performance. The performance guarantees will be released upon completion of the contract works. At the end of the reporting period, the management of the Group does not consider it probable that a claim will be made against the Group.

Foreign Exchange Exposure

The Group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Group is exposed to foreign exchange risk primarily through sales proceeds received from customers and the proceeds from issue of shares upon share offer that are denominated in a currency other than the Group entities' functional currency. The currencies giving rise to this risk are primarily Hong Kong dollar.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest Rate Risk

The Group's interest rate risk arises primarily from the Group's bank deposits and borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market interest rates arising from the Group's pledged bank deposits, bank balances and MOP best lending rate, MIBOR and HIBOR arising from the Group's variable-rate bank borrowings. The Group does not use financial derivatives to hedge against the interest rate risk.

Credit Risk

The Group's credit risk is primarily attributable to trade receivables, contract assets, deposits, other receivables, amounts due from joint operations, pledged bank deposits and bank balances as at 31 December 2024 and 2023.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counter-parties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of the reporting period.

The Group has concentration of credit risks as 35.6% (2023: 26.9%) and 77.1% (2023: 86.4%) of the total trade receivables was due from the Group's largest debtor and the five largest debtors respectively within the building and ancillary services segment. In order to minimise the risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

For deposits, other receivables and amount due from joint operations, the Directors make periodic individual assessment on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

The credit risk for pledged bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit rating agencies.

EMPLOYEES

The Group had 295 full-time employees as at 31 December 2024 (2023: 598).

The Group offers remuneration packages that includes salary, discretionary bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of our employees, which forms the basis of the decisions with respect to salary raises, bonuses and promotions.

The Group's gross staff costs from operations (including the Director's emoluments) was approximately MOP151.9 million for the year ended 31 December 2024 (2023: approximately MOP111.1 million).

The Company adopted a share option scheme so that the Company may grant options to the eligible persons as incentives or rewards for their contributions to the Group.

PROSPECTS AND STRATEGIES

The Group expects an increase in Macau's construction market activities, driven by the recovery of the gaming and tourism industries. This anticipated growth presents opportunities for the Group to expand its presence in the private sector market, while continuing to reinforce its market share in the public sector. At the same time, the Group remains focused on exploring business opportunities in Hong Kong and is committed to driving growth by prioritizing foundation works, which are expected to provide strategic advantages. Additionally, the Group aims to diversify its business portfolio by pursuing opportunities in emerging markets, including the Greater Bay Area.

However, potential tariffs and their impact on construction material costs pose challenges to the industry. In light of these uncertainties, the Group places a strong emphasis on cost control and operational efficiency to safeguard financial performance. The Group will continue to monitor market dynamics and adjust its strategies as needed to ensure financial stability and sustained growth amid fluctuating costs.

Maintaining its reputation for delivering high-quality projects remains a core priority. By combining its focus on cost management with strategic business development, the Group is well-positioned to address challenges, including rising costs, and leverage emerging opportunities in the construction sector. Despite potential economic uncertainties, the Group remains optimistic about its future prospects and is dedicated to creating value for its stakeholders while navigating evolving industry trends.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2024 (2023: Nil).

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) is scheduled to be held on Friday, 20 June 2025. In order to establish entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 17 June 2025 to Friday, 20 June 2025, both days inclusive, during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 16 June 2025.

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

During the year 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed, the Board is not aware of any significant events requiring disclosure that has taken place subsequent to 31 December 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024 and up to the date of this announcement, the Company has complied with the code provisions set out in the section head “Part 1 – mandatory disclosure requirements” and the applicable code provisions set out in the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) except the deviation from provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Mr. Kong Kin I currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of five Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and its shareholders as a whole. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Company by the Directors. Upon specific enquiries of all Directors, all of them confirmed that they have fully complied with the required standards set out in the Model Code and there was no event of non-compliance throughout the year ended 31 December 2024 and up to the date of this announcement.

CONSTITUTIONAL DOCUMENT

There was no change to the Company's constitutional documents during the year ended 31 December 2024 and up to the date of this annual announcement. The Articles of Association is available on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE

The Company established the Audit Committee on 24 November 2017 in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely, Mr. Cheung Kin Wing, Mr. Cheung Wai Lun Jacky and Mr. Zhao Zhipeng. Mr. Cheung Kin Wing is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the accounting principles and policies adopted by the Group, and the financial information of the Group and the annual results of the Company for the year ended 31 December 2024.

SCOPE OF WORK OF 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 year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Linksfield CPA Limited ("**Linksfield**"), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2024. The work performed by Linksfield in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Linksfield on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.kinpang.com.mo and the Stock Exchange's website at www.hkexnews.hk. The 2024 Annual Report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the year.

By Order of the Board
Kin Pang Holdings Limited
Kong Kin I
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises (i) Mr. Kong Kin I (Chairman and Chief Executive Officer), Ms. Choi Fong Lan and Mr. Chan Wai Keung as executive Directors; and (ii) Mr. Cheung Wai Lun Jacky, Mr. Cheung Kin Wing and Mr. Zhao Zhipeng as independent non-executive Directors of the Company.