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均安控股

Kwan On Holdings

KWAN ON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1559)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

The board (the “**Board**”) of Directors (the “**Directors**”) of Kwan On Holdings Limited (the “**Company**”) is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025 (the “**Reporting Year**”), together with audited comparative figures for the corresponding preceding year, as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<i>Continuing operations</i>			
Revenue	4	316,272	481,271
Cost of sales and services rendered		(312,488)	(521,068)
Gross profit/(loss)		3,784	(39,797)
Net impairment losses on financial and contract assets		(40,423)	(3,360)
Impairment loss for property, plant and equipment		(539)	(4,479)
Gain on disposal of a subsidiary		4,459	—
Other income	4	5	40
Other gains/(losses), net	4	149	(911)
Administrative expenses		(26,444)	(31,332)
Finance costs	5	(286)	(7,857)
Loss before tax		(59,295)	(87,696)
Income tax (expense)/credit	6	(6,838)	2,962
Loss for the year from continuing operations	7	(66,133)	(84,734)
<i>Discontinued operations</i>			
Loss for the year from discontinued operations		(31,651)	(105,464)
Gain on disposals of discontinued operations, net		18,131	—
		(13,520)	(105,464)
Loss for the year		(79,653)	(190,198)
Other comprehensive expense			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value loss on investment in equity instrument at fair value through other comprehensive income		(10,196)	(10,128)
		(10,196)	(10,128)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,861)	(5,730)
Reclassification of exchange differences upon disposals of subsidiaries		(730)	—
		(2,591)	(5,730)

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Other comprehensive expense for the year, net of nil income tax		<u>(12,787)</u>	<u>(15,858)</u>
Total comprehensive expenses for the year		<u>(92,440)</u>	<u>(206,056)</u>
Loss for the year attributable to owners of the Company:			
From continuing operations		(66,640)	(49,939)
From discontinued operations		<u>(13,520)</u>	<u>(105,464)</u>
		<u>(80,160)</u>	<u>(155,403)</u>
Profit/(loss) for the year attributable to non-controlling interests:			
From continuing operations		507	(34,795)
From discontinued operations		<u>—</u>	<u>—</u>
		<u>507</u>	<u>(34,795)</u>
Loss for the year		<u>(79,653)</u>	<u>(190,198)</u>
Total comprehensive expense for the year attributable to owners of the Company:			
From continuing operations		(81,062)	(66,043)
From discontinued operations		<u>(13,278)</u>	<u>(105,464)</u>
		<u>(94,340)</u>	<u>(171,507)</u>
Total comprehensive income/(expense) for the year attributable to non-controlling interests:			
From continuing operations		1,900	(34,549)
From discontinued operations		<u>—</u>	<u>—</u>
		<u>1,900</u>	<u>(34,549)</u>
Total comprehensive expense for the year		<u>(92,440)</u>	<u>(206,056)</u>
Loss per share			
<i>From continuing and discontinued operations</i>			
Basic (HK cents)	9	<u>(4.29)</u>	<u>(8.31)</u>
<i>From continuing operations</i>			
Basic (HK cents)	9	<u>(3.57)</u>	<u>(2.67)</u>
<i>From discontinued operations</i>			
Basic (HK cents)	9	<u>(0.72)</u>	<u>(5.64)</u>

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		23,693	29,148
Right-of-use assets		9	3,245
Interests in associates		–	68
Equity instrument at fair value through other comprehensive income		–	16,442
Other receivables and prepayments	10	–	4,339
Deferred tax asset		–	3,730
		<u>23,702</u>	<u>56,972</u>
Current assets			
Trade and other receivables	10	92,092	133,429
Amounts due from partners of joint operations		–	1,903
Contract assets		59,519	375,387
Equity instrument at fair value through other comprehensive income		6,246	–
Pledged bank deposits		–	56,510
Cash and cash equivalents		14,487	26,535
		<u>172,344</u>	<u>593,764</u>
Current liabilities			
Contract liabilities		–	29,748
Trade and other payables	11	98,015	337,398
Amount due to immediate holding company		28,940	49,481
Amount due to an associate		–	24
Bank borrowings		7,652	85,058
Provisions		–	7,200
Financial guarantee contracts		13,586	–
Lease liabilities		10	3,172
Income tax payable		4,506	4,123
		<u>152,709</u>	<u>516,204</u>
Net current assets		<u>19,635</u>	<u>77,560</u>
Total assets less current liabilities		<u>43,337</u>	<u>134,532</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities		
Defined benefit obligation	229	229
Lease liabilities	–	234
Deferred tax liabilities	39	469
	<u>268</u>	<u>932</u>
NET ASSETS	<u>43,069</u>	<u>133,600</u>
Capital and Reserves		
Share capital	18,692	18,692
Reserves	56,979	151,319
	<u>75,671</u>	<u>170,011</u>
Equity attributable to owners of the Company	(32,602)	(36,411)
Non-controlling interests		
TOTAL EQUITY	<u>43,069</u>	<u>133,600</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

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

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

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (“**HKFRSs**”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), for the first time, which are mandatorily effective for the Group’s reporting periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1

The amendments defined that current liabilities do not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current.

Also, the classification of long-term loan arrangements with covenants by specifying that covenants to be complied with after the reporting date do not affect the classification of loan arrangements as current or non-current at the reporting date.

The related Hong Kong Interpretation 5 is revised as a consequence of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current issued in August 2020, to align the corresponding wordings with no change in conclusion. The Amendments to HKAS 1 clarify how to classify debt and other liabilities as current or non-current but do not change the existing requirements. In particular, the Amendments to HKAS 1 clarify that an entity's right to defer settlement must exist at the end of the reporting period and delete the word 'unconditional' from the classification principle.

The application of the amendments does not have any significant impact on the Group's consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments) ²
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature-dependent Electricity ²
Annual Improvements to HKFRS Accounting Standards 2024	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²
HKFRS 18 and consequential amendments to other HKFRSs	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

The Group is currently assessing the impact of HKFRS 18 which will affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group does not anticipate that the application of other new and amendments to HKFRSs in the future will have an impact on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

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

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

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

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

Trading – trading of construction and chemical materials.

The accounting policies of the operating segments are the same as the Group’s accounting policies. The Chief Executive Officer assesses the performance of the operating segments based on the segment results from continuing and discontinued operations, which represent the profit/loss before income tax earned by each segment without allocation of gain on disposal of a subsidiary, interest income, net exchange gain/loss, finance costs from lease liabilities, finance costs from bank borrowings 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 revenue and results

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

For the year ended 31 March 2025

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

For the year ended 31 March 2024

	Continuing operations				Discontinued operations	
	Property					
	Construction	development	Trading	Sub-total	Construction	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE						
External sales	<u>300,232</u>	<u>108,967</u>	<u>72,072</u>	<u>481,271</u>	<u>173,181</u>	<u>654,452</u>
RESULTS						
Segment results	<u>(4,739)</u>	<u>(51,490)</u>	<u>28</u>	<u>(56,201)</u>	<u>(100,193)</u>	<u>(156,394)</u>

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

Revenue

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

(i) Disaggregation of revenue from contracts with customers

	Continuing operations		Discontinued operations		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15:						
– Provision of construction and maintenance works on civil engineering contracts and building works contracts, recognised over time	260,880	300,232	132,303	173,181	393,183	473,413
– Sales of properties, recognised at a point in time	–	108,967	–	–	–	108,967
– Trading of construction and chemical materials, recognised at a point in time	55,392	72,072	–	–	55,392	72,072
	<u>316,272</u>	<u>481,271</u>	<u>132,303</u>	<u>173,181</u>	<u>448,575</u>	<u>654,452</u>

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

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

	Continuing operations		Discontinued operations		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other income						
Bank interest income	5	35	379	609	384	644
Sales of scrap materials	–	–	3,360	3,810	3,360	3,810
Insurance compensation	–	–	627	1,084	627	1,084
Write back of payables	–	–	1,488	2,492	1,488	2,492
Sundry income	–	5	366	968	366	973
	<u>5</u>	<u>40</u>	<u>6,220</u>	<u>8,963</u>	<u>6,225</u>	<u>9,003</u>
Other gains/(losses), net						
(Loss)/gain on disposal of property, plant and equipment	(75)	–	493	617	418	617
Gain on lease modification	–	–	23	18	23	18
Loss on termination of lease	–	–	(285)	–	(285)	–
Impairment loss for right-of-use assets	–	(336)	(3,358)	–	(3,358)	(336)
Exchange gain/(loss)	224	(575)	–	–	224	(575)
	<u>149</u>	<u>(911)</u>	<u>(3,127)</u>	<u>635</u>	<u>(2,978)</u>	<u>(276)</u>

5. FINANCE COSTS

	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	273	7,773	4,891	9,196	5,164	16,969
Interest on lease liabilities	13	84	158	328	171	412
Total interest expenses	<u>286</u>	<u>7,857</u>	<u>5,049</u>	<u>9,524</u>	<u>5,335</u>	<u>17,381</u>

6. INCOME TAX EXPENSE/(CREDIT)

	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:						
Hong Kong	–	–	202	–	202	–
The People's Republic of China (the "PRC")	124	195	–	–	124	195
Malaysia	2,675	90	–	–	2,675	90
The Republic of the Philippines (the "Philippines")	–	483	–	–	–	483
The Kingdom of Cambodia ("Cambodia")	214	–	–	–	214	–
	<u>3,013</u>	<u>768</u>	<u>202</u>	<u>–</u>	<u>3,215</u>	<u>768</u>
Under/(over)-provision in prior years:						
Malaysia	192	–	–	–	192	–
Hong Kong	–	–	47	(4,989)	47	(4,989)
	<u>192</u>	<u>–</u>	<u>47</u>	<u>(4,989)</u>	<u>239</u>	<u>(4,989)</u>
Deferred tax	<u>3,633</u>	<u>(3,730)</u>	<u>(404)</u>	<u>1,337</u>	<u>3,229</u>	<u>(2,393)</u>
Income tax expense/(credit) for the year	<u>6,838</u>	<u>(2,962)</u>	<u>(155)</u>	<u>(3,652)</u>	<u>6,683</u>	<u>(6,614)</u>

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

Hong Kong Profits Tax is calculated at 16.5% of assessable profit for the year ended 31 March 2025.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits derived from Hong Kong for the year ended 31 March 2024.

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

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

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

The Corporate Income Tax in Cambodia is calculated at 20% of assessable profit for the year ended 31 March 2025.

7. LOSS FOR THE YEAR

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

	Continuing operations		Discontinued operations		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Carrying amount of goods sold	55,330	231,812	–	–	55,330	231,812
Cost of construction services rendered	257,158	289,256	144,459	251,639	401,617	540,895
Auditor's remuneration						
– audit services	950	1,200	–	–	950	1,200
– other services	80	180	–	–	80	180
Depreciation of property, plant and equipment	858	830	2,582	5,303	3,440	6,133
Depreciation of right-of-use assets	275	395	2,432	5,648	2,707	6,043
Short-term lease expenses	405	621	4,341	5,913	4,746	6,534
	<u>55,330</u>	<u>231,812</u>	<u>144,459</u>	<u>251,639</u>	<u>401,617</u>	<u>540,895</u>

8. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

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

Loss

	2025	2024
	HK\$'000	HK\$'000
Loss for the year attributable to owners of the Company:		
– Continuing operations	(66,640)	(49,939)
– Discontinued operations	<u>(13,520)</u>	<u>(105,464)</u>
	<u>(80,160)</u>	<u>(155,403)</u>

Number of ordinary shares

	2025	2024
	'000	'000
Weighted average number of ordinary shares	<u>1,869,160</u>	<u>1,869,160</u>

Since there were no potential ordinary shares in issue during the years ended 31 March 2025 and 2024, no diluted loss per share is presented.

10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables (before impairment loss) of HK\$74,190,000 (2024: HK\$53,945,000) with aging analysis based on the invoice date at the end of the reporting period, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	54,627	53,362
61 to 90 days	5,402	—
181 to 365 days	13,578	—
Over 1 year	583	583
	<u>74,190</u>	<u>53,945</u>

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$63,814,000 (2024: HK\$117,009,000) and an aging analysis based on invoice date at the end of reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	26,087	48,217
More than 30 days but within 90 days	12,184	5,222
More than 90 days	25,543	63,570
	<u>63,814</u>	<u>117,009</u>

BUSINESS REVIEW

During the year under review, the Group completed a major corporate restructuring through the disposal of its wholly-owned subsidiary, Win Vision Holdings Limited, together with its subsidiaries (collectively, the “**Disposal Group**”), which was principally engaged in civil engineering operations in Hong Kong. A conditional sale and purchase agreement was entered into with Ming Jia Investment Holdings Limited on 27 March 2025, and the transaction was completed on 31 March 2025.

This strategic decision was primarily driven by the Disposal Group’s continued and significant financial underperformance. For the year ended 31 March 2025, the Disposal Group recorded a net loss of approximately HK\$31.7 million (2024: loss of HK\$105.5 million). Amid persistent industry challenges, including rising labour and material costs, prolonged project cycles, and intensified market competition, the Group faced increasing difficulty in sustaining the financial viability of the Disposal Group. Despite efforts involving management restructuring and project rationalisation, the ongoing deterioration in performance ultimately led the Group to pursue this strategic divestment.

The disposal resulted in a one-off gain of approximately HK\$18.1 million and significantly alleviated the Group’s financial burden. It also enables the Group to reallocate resources and focus more effectively on its core business segments in Mainland China and Southeast Asia, including construction and the trading of chemical materials.

During the year, the Group leveraged the extensive business network of its major shareholder to secure new construction contracts in Cambodia, including the construction of a factory for a well-known tyre manufacturer. The total contract sum for this project is approximately HK\$230.8 million. For the year ended 31 March 2025, construction projects in Mainland China, Cambodia, and Malaysia collectively generated revenue of HK\$260.9 million, with a gross profit of HK\$5.6 million.

In the Philippines, the Group had previously entered into a contract in 2019 with an independent overseas employer for the construction of a 61-storey condominium building, with a total contract value of approximately HK\$396.6 million. The pile foundation works were completed in March 2024. However, during the year under review, no further instructions were received from the employer to proceed to the structural construction phase. The employer cited financial constraints and adverse property market conditions as the primary reasons for the delay and is currently seeking an investor to take over the entire project, including the land and ongoing construction works. Following negotiations, the Group resolved to suspend all construction activities related to the project, with the agreement of the employer. The Group will continue to pursue recovery of the outstanding construction receivables of approximately HK\$13.6 million and a performance deposit of approximately HK\$27.0 million.

The management has continued to devote significant effort and resources to developing the Group's construction business, particularly in Southeast Asia and trading of chemical material in Mainland China. Through ongoing operational reviews and strategic planning, the Group remains committed to enhancing long-term profitability and building a foundation for sustainable growth.

FINANCIAL REVIEW

The Group recorded revenue of approximately HK\$448.6 million for the year ended 31 March 2025 (the “**Year**”), compared to approximately HK\$654.4 million for the year ended 31 March 2024 (the “**Previous Year**”). The loss attributable to owners of the Company was approximately HK\$80.2 million for the Year (Previous Year: loss of approximately HK\$155.4 million). The reduction in loss was primarily driven by the reduction in losses from the loss-making discontinued operations and the recognition of a disposal gain, partially offset by a provision for financial guarantee liabilities related to a corporate guarantee in respect of certain bank borrowings of the Disposal Group.

Disposal Group

On 27 March 2025, the Company entered into a conditional sale and purchase agreement (the “**Agreement**”) to dispose of the Disposal Group, which was principally engaged in civil engineering operations in Hong Kong. The disposal constituted a major transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As no shareholder had a material interest in the Agreement or the transactions contemplated thereunder, no shareholder was required to abstain from voting at the general meeting. All conditions precedent to the Agreement were satisfied, and completion took place on 31 March 2025.

The businesses of the Disposal Group were classified as discontinued operations. Upon completion, the sale shares of Win Vision Holdings Limited were transferred to the purchaser, and all assets and liabilities associated with the Disposal Group were derecognised on 31 March 2025 (the “**Disposal Date**”).

As at the Disposal Date, the Company had provided a corporate guarantee in respect of certain bank borrowings of the Disposal Group, which included outstanding principal of approximately HK\$13.5 million and related accrued interest. The Company is currently in discussions with the relevant bank to replace the Disposal Group with the Company as the borrower. Accordingly, the Company intends to repay the bank facility either upon maturity or earlier, depending on the bank's processing timeline. A provision of approximately HK\$13.6 million was recognised for the financial guarantee contracts as at 31 March 2025.

Further details of the disposal are disclosed in the Company's announcements dated 27 March 2025 and 31 March 2025, and the circular dated 23 May 2025. A net disposal gain of approximately HK\$18.1 million was recognised in profit or loss for the Year.

Construction and property development related business – Continuing Operations

Revenue from the construction and property development segment amounted to approximately HK\$260.9 million for the Year, representing a decrease of HK\$39.3 million or 13.1% compared to approximately HK\$300.2 million in the Previous Year.

The decline was mainly due to the substantial completion of several major projects in Mainland China and Malaysia during the Year, resulting in reduced revenue recognition from contracts on hand. Additionally, the Group formally withdrew from its construction project in the Philippines following a mutual agreement with the landowner, who cited financial constraints and a challenging property market environment.

Nevertheless, the Group secured new construction contracts in Cambodia, including the development of a factory for a renowned tyre manufacturer, which contributed approximately HK\$56.2 million in revenue during the Year.

The revenue analysis by category is shown as follows:

	Year ended 31 March	
	2025	2024
	HK\$000	HK\$000
Mainland China construction sector	30,582	46,420
Malaysia construction sector	174,052	213,214
Philippines construction sector	–	40,598
Cambodia construction sector	56,246	–
Philippines property development sector	–	108,967
	260,880	409,199

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

	Year ended 31 March	
	2025	2024
Mainland China construction sector	1.6%	1.7%
Malaysia construction sector	2.3%	3.9%
Cambodia construction sector	2.0%	–
Philippines construction sector	–	4.8%
Philippines property development sector	–	-46.6%

During the Year, the Group recorded a gross profit of approximately HK\$3.8 million (2024: gross loss of approximately HK\$39.8 million) from its construction and property development-related business. The significant turnaround in gross profit was primarily due to a one-off loss of approximately HK\$50.8 million recognised in the Previous Year from the sale of a property under development in the Philippines.

Excluding this one-off loss, the gross profit for the Previous Year would have been approximately HK\$11.0 million, which is HK\$7.2 million higher than the current year's result. The year-on-year decrease in gross profit was mainly attributable to lower contributions from the Malaysia construction sector, which generated a gross profit of approximately HK\$4.0 million for the Year, compared to HK\$8.3 million in the Previous Year. A decline in gross profit of HK\$4.3 million was mainly due to the substantial completion of several major projects.

Trading business

The Group is engaged in the trading of chemical materials. During the Year, the Group recorded revenue of approximately HK\$55.4 million (2024: approximately HK\$72.1 million) and a gross profit of approximately HK\$0.06 million (2024: gross profit of approximately HK\$0.03 million).

Net impairment losses on financial and contract assets

Net impairment loss on financial and contract assets for the Year amounted to approximately HK\$40.4 million (2024: HK\$3.4 million). The increase in the provision was primarily driven by a reassessment of the credit risk profile of outstanding receivables, taking into account historical default rates, prevailing credit conditions, and updated information available to the Group. The significant rise in impairment loss was mainly attributable to provisions made against receivables related to the construction segment in Mainland China and the Philippines. Specifically, an impairment loss of approximately HK\$19.0 million was recognised on total receivables of approximately HK\$40.5 million related to the Philippines segment, while an impairment loss of approximately HK\$21.7 million was recognised on total receivables of approximately HK\$122.8 million related to the Mainland China segment. These provisions were based on an evaluation of the broader property market conditions in the respective regions and individual assessments of the counterparties' credit profiles.

Other gain/(losses), net

Other gain, net for the Year was approximately HK\$0.1 million, compared to other losses, net of approximately HK\$0.9 million in the Previous Year. The change was mainly attributable to an exchange gain of approximately HK\$0.2 million during the year (2024: exchange loss of approximately HK\$0.6 million).

Administrative expenses

Administrative expenses for the Year decreased to approximately HK\$26.4 million, representing a reduction of HK\$4.9 million compared to approximately HK\$31.3 million in the previous year. This decrease was mainly due to a reduction in staff costs of approximately HK\$2.5 million and a drop in professional fees of approximately HK\$1.9 million. In addition, depreciation expenses declined by approximately HK\$1.4 million, driven by the full depreciation of right-of-use assets upon the expiry of the lease term of the Group's New Zealand office.

Finance costs

Finance costs for the Year amounted to approximately HK\$0.3 million, significantly down from approximately HK\$7.8 million in 2024. The decrease was primarily due to the absence of finance costs relating to the property under development in the Philippines, which accounted for HK\$6.9 million in the Previous Year. This property was sold in the prior year, and therefore no such cost was incurred in the current year.

Other comprehensive expense

Other comprehensive expense for the Year amounted to approximately HK\$12.8 million, compared to HK\$15.9 million in the previous year. This reduction was mainly due to a smaller exchange loss arising from the translation of foreign operations. A fair value loss of approximately HK\$10.2 million was recorded during the year, compared to a similar loss of HK\$10.1 million in the previous year, in relation to the Group's investment in the common shares of a company listed on the Philippine Stock Exchange, Inc. An exchange loss of approximately HK\$1.9 million was also recognised during the Reporting Year, significantly lower than the HK\$5.7 million exchange loss recorded in the previous year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had net current assets of approximately HK\$19.6 million (2024: approximately HK\$77.6 million). Current ratio of the Group as at 31 March 2025 was approximately 1.13 times (2024: approximately 1.15 times).

As at 31 March 2025, the gearing ratio, calculated based on the net debt divided by total capital plus net debt, was approximately 23% (2024: approximately 40%). Net debt is calculated as the total of amount due to immediate holding company, bank borrowings and lease liabilities, net of cash and cash equivalents. Capital includes equity attributable to owners of the Company.

CAPITAL STRUCTURE

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

COMMITMENTS

As at 31 March 2025, the Group did not have any significant capital commitments (2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

MATERIAL ACQUISITIONS AND DISPOSALS

On 27 March 2025, the Company entered into a conditional sale and purchase agreement (the “**Agreement**”) to dispose of the Disposal Group. The disposal constituted a major transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As no shareholder had a material interest in the Agreement or the transactions contemplated thereunder, no shareholder was required to abstain from voting at the general meeting. All conditions precedent to the Agreement were satisfied, and completion took place on 31 March 2025. Further details of the disposal are disclosed in the Company’s announcements dated 27 March 2025 and 31 March 2025, and the circular dated 23 May 2025. A net disposal gain of approximately HK\$18.1 million was recognised in profit or loss for the Year.

Save as disclosed herein, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures during the Reporting Year.

CONTINGENT LIABILITIES

Save for certain litigations involved, the Group did not have any material contingent liabilities as at 31 March 2025 (2024: Nil).

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group’s credit risk is primarily attributable to other receivables in relation to a transferred construction project, trade and retention receivables and deposits with banks. During the Reporting Year, the Group has received all remaining receivable and interest. The credit risk of the Group’s trade and retention receivables is concentrated since 92% of which was derived from three major customers as at 31 March 2025 (2024: 73%). The Group’s major bank balances are deposited with banks with good reputation and hence the management does not expect any losses from non-performance by these banks. In relation to the management of liquidity risk, the Group’s policy is to regularly monitor the liquidity requirements in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet the liquidity requirements in short and long term.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2025, the Group did not hold any significant investment with a value of 5 per cent. or more of the Group’s total assets.

CHARGE OF GROUP’S ASSETS AND SECURITIES FOR BANKING FACILITIES

As at 31 March 2025, the Group’s bank borrowings and other banking facilities are pledged by bank deposits amounting to approximately HK\$nil (2024: HK\$56.5 million) and leasehold land and building with an carrying value of approximately HK\$22.6 million (2024: HK\$23.8 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed a total of 16 staffs employed on a full-time basis. Staff costs, including Directors' emoluments, of the Group amounted to approximately HK\$15.2 million for the Reporting Year (2024: approximately HK\$17.8 million). Remuneration of the employees is determined with reference to market terms and the performance, qualification and experience of individual employees. In addition to a basic salary, year-end discretionary bonuses are offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

PRIOR YEAR ADJUSTMENT

There is no prior year adjustment made in the consolidated financial statements of the Group for the Reporting Year.

SUBSEQUENT EVENTS

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

OTHER INFORMATION

Corporate Governance Practice

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

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

CG Code Provision C.5.1 stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the year ended 31 March 2025, only two regular board meetings were convened. However, the management have regularly updated the Board for the Group's business development with performance review through electronic means of communication. All the Board members are encouraged to express their opinions on the Company's matters. The Board was consulted for every crucial decision and the written resolutions were also circulated to all the Directors to obtain the board consents. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code. However, the Company will consider to hold regularly board meetings at approximately quarterly intervals in the future.

Directors' Securities Transactions

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

Purchase, Sale or Redemption of Listed Securities

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

Interests in Competing Business

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

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

Sufficiency of Public Float

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

Scope of Work of the External Auditor

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

Audit Committee

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

Publication of 2025 Annual Report

The 2025 annual report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and will also be published on the website of the Company at <http://www.kwanonconstruction.com> and the website of the Stock Exchange at <http://www.hkexnews.hk>.

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

Hong Kong, 30 June 2025

As at the date of this announcement, the executive Directors are Mr. Chen Zhenghua, Mr. Zhang Fangbing (Chief Executive Officer), 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.

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