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Kin Shing Holdings Limited
建成控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1630)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025

The board of directors (the “**Board**”) of Kin Shing Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2025 together with comparative figures in 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue	3	878,762	1,244,556
Direct costs		<u>(878,451)</u>	<u>(1,212,936)</u>
Gross profit		311	31,620
Other income/(losses), net	5	28,891	(9,373)
Impairment losses under expected credit loss model, net of reversal	6	(13,902)	(40,720)
Administrative expenses		(20,956)	(22,353)
Finance costs	7	<u>(2,948)</u>	<u>(2,984)</u>
Loss before tax		(8,604)	(43,810)
Income tax expense	8	<u>(856)</u>	<u>–</u>
Loss and total comprehensive expense for the year	9	<u>(9,460)</u>	<u>(43,810)</u>
Loss and total comprehensive expense for the year attributable to owners of the Company		<u>(9,460)</u>	<u>(43,810)</u>
Loss per share	10		
– Basic (HK cents)		<u>(0.63)</u>	<u>(2.92)</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		19,039	26,835
Right-of-use assets		1,391	2,607
		<u>20,430</u>	<u>29,442</u>
Current assets			
Trade and other receivables	12	64,691	50,679
Contract assets		152,941	183,849
Financial assets at fair value through profit or loss		71,114	50,595
Tax recoverable		6	6
Cash and cash equivalents		108,415	169,308
		<u>397,167</u>	<u>454,437</u>
Total assets		<u>417,597</u>	<u>483,879</u>
Current liabilities			
Trade and other payables	13	92,086	163,786
Contract liabilities		46,351	44,451
Amount due to a related company		153,223	150,523
Amount due to a director		1,890	198
Bank borrowings		9,000	–
Lease liabilities		506	1,270
		<u>303,056</u>	<u>360,228</u>
Net current assets		<u>94,111</u>	<u>94,209</u>
Total assets less current liabilities		<u>114,541</u>	<u>123,651</u>
Non-current liabilities			
Lease liabilities		844	1,350
Deferred tax liabilities		856	–
		<u>1,700</u>	<u>1,350</u>
Net assets		<u>112,841</u>	<u>122,301</u>
Capital and reserves			
Share capital		15,000	15,000
Reserves		97,841	107,301
Total equity		<u>112,841</u>	<u>122,301</u>

NOTES

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 6 April 2016. Its parent and ultimate holding company is Five Continental Enterprise Limited, a company incorporated in the British Virgin Islands and controlled by Mr. Leung Chi Kit, Mr. Chow Siu Yu and Ms. Tso Yuk Ching. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 June 2017.

The Group is principally engaged in the provision of formwork works, building construction works and trading and investment business.

The consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to Hong Kong Financial Reporting Standards ("**HKFRS Accounting Standards**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to HKFRS Accounting Standards 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 the consolidated financial statements.

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

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

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

3. REVENUE

The following is an analysis of the Group's revenue from its major services:

	2025 HK\$'000	2024 HK\$'000
Provision of formwork works and related ancillary works	<u>878,762</u>	<u>1,244,556</u>

4. SEGMENT INFORMATION

Information reported to the Company's executive Directors, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focus on the types of services provided. The Group's reportable and operating segments under "HKFRS 8 – Operating Segments" are as follows:

1. Formwork works – Provision of formwork works and related ancillary works
2. Building construction works – Provision of building construction works
3. Trading and investment business – Investing in financial instruments

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2025

	Formwork works <i>HK\$'000</i>	Building construction works <i>HK\$'000</i>	Trading and investment business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External sales and segment revenue	<u>878,762</u>	<u>–</u>	<u>–</u>	<u>878,762</u>
Segment (loss)/profit	<u>(25,353)</u>	<u>(11)</u>	<u>26,289</u>	<u>925</u>
Interest income				339
Unallocated expenses				(6,920)
Finance costs				<u>(2,948)</u>
Loss before tax				<u>(8,604)</u>

For the year ended 31 March 2024

	Formwork works <i>HK\$'000</i>	Building construction works <i>HK\$'000</i>	Trading and investment business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External sales and segment revenue	<u>1,244,556</u>	<u>–</u>	<u>–</u>	<u>1,244,556</u>
Segment loss	<u>(22,901)</u>	<u>(10)</u>	<u>(10,950)</u>	<u>(33,861)</u>
Interest income				341
Unallocated expenses				(7,306)
Finance costs				<u>(2,984)</u>
Loss before tax				<u>(43,810)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the (loss from)/profit earned by each segment without allocation of certain interest income, central administration costs and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

There were no sales transactions between the operating segments.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Segment assets		
Formwork works	237,907	263,815
Building construction works	–	–
Trading and investment business	138,753	114,424
	<hr/>	<hr/>
Total segment assets	376,660	378,239
Unallocated	40,937	105,640
	<hr/>	<hr/>
Consolidated assets	<u>417,597</u>	<u>483,879</u>
Segment liabilities		
Formwork works	148,238	209,585
Building construction works	8	8
Trading and investment business	20	20
	<hr/>	<hr/>
Total segment liabilities	148,266	209,613
Unallocated	156,490	151,965
	<hr/>	<hr/>
Consolidated liabilities	<u>304,756</u>	<u>361,578</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain cash and cash equivalents, tax recoverable and unallocated corporate assets.
- all liabilities are allocated to operating segments other than amount due to a related company, amount due to a director and unallocated corporate liabilities.

Other segment information

For the year ended 31 March 2025

	Formwork works <i>HK\$'000</i>	Building construction works <i>HK\$'000</i>	Trading and investment business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>				
Additions to non-current assets (Note)	536	–	–	536
Depreciation	9,044	–	–	9,044
Impairment losses on trade receivables recognised in profit or loss	7,610	–	–	7,610
Impairment losses on deposits and other receivables reversed in profit or loss	(143)	–	–	(143)
Impairment losses on contract assets recognised in profit or loss	6,435	–	–	6,435
Loss on disposal of property, plant and equipment	186	–	–	186

For the year ended 31 March 2024

	Formwork works <i>HK\$'000</i>	Building construction works <i>HK\$'000</i>	Trading and investment business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>				
Additions to non-current assets (Note)	20,234	–	–	20,234
Depreciation	13,256	–	–	13,256
Impairment losses on trade receivables recognised in profit or loss	6,123	–	–	6,123
Impairment losses on deposits and other receivables recognised in profit or loss	1,536	–	–	1,536
Impairment losses on contract assets recognised in profit or loss	33,061	–	–	33,061

Note: Non-current assets excluded deferred tax assets.

Geographical information

The Group's operations are located in Hong Kong. All of the Group's revenue is derived from external customers located in Hong Kong and the Group's non-current assets are all located in Hong Kong.

Information about major customers

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A ¹	NA ²	499,016
Customer B ¹	106,681	284,091
Customer C ¹	181,003	NA ²
Customer D ¹	155,812	NA ²
Customer E ¹	130,373	NA ²
Customer F ¹	98,389	NA ²
	288,355	783,207

¹ Revenue from Formwork works.

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. OTHER INCOME/(LOSSES), NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income from cash and cash equivalents	3,155	3,449
Dividends received from financial assets at fair value through profit or loss	3,148	2,808
Fair value changes on financial assets at fair value through profit or loss	20,519	(16,656)
Rental income	2,011	47
Net foreign exchange loss	(1)	(3)
Others	59	982
	28,891	(9,373)

6. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2025 HK\$'000	2024 HK\$'000
Impairment losses recognised/(reversed) on:		
Trade receivables	7,610	6,123
Deposits and other receivables	(143)	1,536
Contract assets	6,435	33,061
	<u>13,902</u>	<u>40,720</u>

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expense on:		
Lease liabilities	129	284
Bank borrowings	119	–
Amount due to a related company	2,700	2,700
	<u>2,948</u>	<u>2,984</u>

8. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Hong Kong Profits Tax	–	–
Deferred tax	856	–
	<u>856</u>	<u>–</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 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.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group companies has no assessable profits arising in or derived from Hong Kong or have sufficient tax losses brought forward to set off against the current year’s estimated assessable profits for the years ended 31 March 2025 and 2024.

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Employee benefits expense (including directors' emoluments)		
– Salaries and other benefits in kind	457,437	557,913
– Contributions to retirement benefits schemes	<u>15,666</u>	<u>20,860</u>
Total staff costs	<u>473,103</u>	<u>578,773</u>
Depreciation of property, plant and equipment	7,828	10,531
Depreciation of right-of-use assets	<u>1,216</u>	<u>2,725</u>
Total depreciation	<u>9,044</u>	<u>13,256</u>
Auditors' remuneration	<u><u>740</u></u>	<u><u>740</u></u>

10. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u><u>(9,460)</u></u>	<u><u>(43,810)</u></u>
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><u>1,500,000</u></u>	<u><u>1,500,000</u></u>

No diluted loss per share for the years ended 31 March 2025 and 2024 were presented as there were no potential ordinary shares in issue for both years.

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

12. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	53,881	41,111
Less: Allowance for credit losses	<u>(14,425)</u>	<u>(6,815)</u>
	39,456	34,296
Deposits and other receivables	26,933	18,224
Less: Allowance for credit losses	<u>(1,853)</u>	<u>(1,996)</u>
	25,080	16,228
Prepayments	<u>155</u>	<u>155</u>
	<u>64,691</u>	<u>50,679</u>

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aging analysis of the Group's trade receivables net of allowance for credit losses at the end of the reporting period, presented based on the progress payment certificate date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0-30 days	44	2,467
31-60 days	31,567	30,377
61-90 days	7,597	704
Over 90 days	<u>248</u>	<u>748</u>
	<u>39,456</u>	<u>34,296</u>

13. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	16,345	39,120
Accruals and other payables		
– Accrued salaries	38,736	70,483
– Accrued sub-contracting fee	14,815	28,448
– Others	22,190	25,735
	<u>92,086</u>	<u>163,786</u>

The following is an aging analysis of the Group's trade payables at the end of the reporting period, presented based on the invoice date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0-30 days	5,384	13,239
31-60 days	3,400	5,419
61-90 days	1,991	9,529
Over 90 days	5,570	10,933
	<u>16,345</u>	<u>39,120</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 March 2025 amounted to approximately HK\$878,762,000 (2024: approximately HK\$1,244,556,000).
- Loss attributable to the equity shareholders of the Company for the year ended 31 March 2025 amounted to approximately HK\$9,460,000 (2024: approximately HK\$43,810,000).
- Basic loss per share for the year ended 31 March 2025 amounted to approximately 0.63 HK cents (2024: approximately 2.92 HK cents).

BUSINESS REVIEW

The Group is principally engaged in the provision of formwork works with an insignificant portion from building construction works (including concrete works and finishes works) and investing in financial instruments. Based on the materials used in the formwork works, we categorise our formwork works into (i) traditional timber formwork by using timber and plywood; and (ii) metal formwork system by using aluminium and metals.

During the year ended 31 March 2025, formwork works contributed approximately HK\$878,762,000 to the Group's revenue (2024: formwork works contributed approximately HK\$1,244,556,000).

The Group predominately engaged in erecting formworks for construction works in private residential and commercial buildings during the year ended 31 March 2025. In recent years, in order to diversify the scope in different kinds of construction projects, the Group had also engaged in formwork works for construction works in public housing. As such, the construction projects undertaken by us include both public-sector projects (including projects where the ultimate employer(s) are Government departments and statutory bodies) and private sector projects (including projects where the ultimate employer(s) are property developer(s) and land owner(s)). During the year ended 31 March 2025, the revenue generated from private sector projects accounted for approximately HK\$659,973,000 (2024: approximately HK\$881,617,000), representing approximately 75.1% (2024: approximately 70.8%), of the total revenue of the Group, and approximately HK\$218,789,000 (2024: approximately HK\$362,939,000), representing approximately 24.9% (2024: approximately 29.2%), of the total revenue of the Group were generated from public sector projects undertaken by us.

During the year ended 31 March 2025, there were 15 customers who contributed a total revenue of approximately HK\$878,762,000, whereas there were 12 customers who contributed a total revenue of approximately HK\$1,244,556,000 for the corresponding period in 2024.

PROSPECT

Looking forward, it is foreseeable that the intensified market competition, challenges and uncertainties in the costs of experienced workers, and subcontracting fees will continue to plague the formwork works industry. In response to the dynamic business environment and to overcome these unfavorable factors, the Group will continue to diversify the scope in different types of construction projects and the customer base to minimise its market risk. For trading and investment business, the Group expects that the market in years 2025 and 2026 will remain challenging and demanding. The competitive and volatile operating environment in the financial industry in Hong Kong will continue to exert pressure on the market. Despite the foregoing, the Group will continue to pursue long-term business and profitability growth in line with its corporate mission and goals. The Group will continue to adopt prudent capital management and liquidity risk management to preserve adequate buffer to meet the challenges ahead.

FINANCIAL REVIEW

Revenue

The business of the Group primarily focused in Hong Kong during the year ended 31 March 2025.

During the year ended 31 March 2025, there were 43 projects which contributed revenue of approximately HK\$878,762,000, whereas revenue for the corresponding period in 2024 of approximately HK\$1,244,556,000 was also contributed by 29 projects. The decrease of revenue in 2025 was mainly due to the delay of the certified process by main contractors due to the overall market fluctuations in the industry.

Set out below is a breakdown of the Group's projects based on their respective revenue recognised during the years ended 31 March 2025 and 2024.

	2025	2024
	<i>No. of projects</i>	<i>No. of projects</i>
Revenue recognised		
Over HK\$100,000,001	2	3
HK\$50,000,001 to HK\$100,000,000	4	6
HK\$10,000,001 to HK\$50,000,000	17	6
HK\$1,000,000 to HK\$10,000,000	12	10
Below HK\$1,000,000	8	4
	43	29

Gross profit and gross profit margin

During the year ended 31 March 2025, the Group's gross profit decreased by approximately HK\$31,309,000 or approximately 99.0% from approximately HK\$31,620,000 for the year ended 31 March 2024 to approximately HK\$311,000 for the year ended 31 March 2025.

The Group's gross profit margin decreased from approximately 2.5% for the year ended 31 March 2024 to approximately 0.04% for the year ended 31 March 2025. The decrease in gross profit and gross profit margin due to (i) delay of the certified process by main contractors due to the overall market fluctuation in the industry; (ii) the unexpected additional costs caused by the changes to the on-site managements and (iii) the appointment of provisional liquidator for one of the Group customer, Paul Y. Engineering Group Limited and its subsidiaries which caused suspension in the progress of certain projects leading to additional costs incurred.

Other income/(losses), net

Other income increased by approximately HK\$38,264,000 from other losses approximately HK\$9,373,000 for the year ended 31 March 2024 to other income approximately HK\$28,891,000 for the year ended 31 March 2025, representing an increase of approximately 408.3%. Such increase was mainly attributable to the an unrealised gain on trading securities and dividend income received on Trading and Investment business segment recorded a net gain of approximately HK\$23.6 million as compared to a net loss of approximately HK\$13.8 million in last year.

Administrative expenses

Administrative expenses decreased from approximately HK\$22,353,000 for the year ended 31 March 2024 to approximately HK\$20,956,000 for the year ended 31 March 2025, representing a decrease of approximately 6.3%. Such decrease was mainly attributable to the decrease in administrative staff cost.

Finance costs

Finance costs decreased from approximately HK\$2,984,000 for the year ended 31 March 2024 to approximately HK\$2,948,000 for the year ended 31 March 2025, representing a decrease of approximately 1.2%. Such decrease was mainly attributable to the decrease in interest on lease liabilities.

Income tax

Income tax expense increased by approximately HK\$856,000 for the year ended 31 March 2025. Such increase was mainly attributable to the deferred income tax expense arise from temporary difference associated with decelerated tax depreciation (2024: Nil).

Loss attributable to the equity shareholders of the Company

As a result of the foregoing, the loss attributable to the equity shareholders of the Company amounted to approximately HK\$9,460,000 for the year ended 31 March 2025 as compared to loss approximately HK\$43,810,000 for the year ended 31 March 2024. Such change for the year ended 31 March 2025 was mainly attributable to (i) an unrealised gain on trading securities and dividend income received on Trading and investment business segment recorded a net gain of approximately HK\$23.6 million as compared to a net loss of approximately HK\$13.8 million in last year; (ii) the provision of impairment losses under expected credit loss model of approximately HK\$13.9 million for the year ended 31 March 2025 as compared to a provision of approximately HK\$40.7 million in 2024 and (iii) the decline in gross profit of HK\$31.3 million due to the delayed of the certified process by main contractors due to the overall market fluctuations in the industry.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources

As at 31 March 2025, the Group had cash and cash equivalents of approximately HK\$108,415,000 as compared with that of approximately HK\$169,308,000 as at 31 March 2024.

The bank borrowings of the Group as at 31 March 2025 was approximately HK\$9 million (2024: Nil). The gearing ratio is calculated based on the amount of the total debts, which include, bank borrowings, amount due to a director, amount due to a related company and lease liabilities, divided by the total equity. The gearing ratio of the Group as at 31 March 2025 is approximately 146.6% (2024: approximately 125.4%).

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks and licensed financial institution. To manage liquidity risk, the Board of Directors closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Pledge of assets

As at 31 March 2025, the Group did not pledge its assets.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

As at 31 March 2025, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures.

Capital commitments

As at 31 March 2025, the Group had no material off-balance sheet capital commitments.

Contingent liabilities

As at 31 March 2025, the Group had no material contingent liabilities.

Litigation and claims

In August 2022, one of the Group's subsidiary issued a claim letter to a supplier regarding the compensation claims due to the delay of delivery of materials. The compensation claims included the extra cost for transportation, warehouse, labour and materials costs amounted to approximately to HK\$21,208,000. The supplier did not agree the Group's claims after negotiation but claimed that the Group has breached the exclusive terms entered into between both parties and the Group failed to settle the long-outstanding bills of approximately HK\$9,798,000 (the "Outstanding Bills"), the supplier therefore filed a Writ of Summons and Statement of Claim to High Court of the HKSAR, Court of First Instance (Case number HCA 1556/2022) in November 2022. As of the reporting date, the parties are reviewing the provisional expert report on quantum as directed by the Court. The Group has sought for a legal opinion on the above case, as it is still in relatively early stage and subject to further development in relation to expert evidence, therefore, the Group has yet to confirm the probability and make any estimation of the compensation claims or if liable to the settlement of the Outstanding Bills.

Significant Investments Held by the Group

Name of the investment	Number of shares held as at 31 March 2025	Percentage of shareholding as at 31 March 2025 %	Investment Costs HK\$'000	Fair value as at 31 March 2025 HK\$'000	Change in fair value for the year ended 31 March 2025 HK\$'000	Size as compared to the Group's total assets as at 31 March 2025 %	Total amount of dividends received for the year ended 31 March 2025 HK\$'000
Hong Kong Exchanges and Clearing Limited (Stock code: 388) ("HKEX")	100,000	0.0079	32,449	34,480	11,700	8.26	926
China Construction Bank Corporation (Stock code: 939) ("CCB")	1,000,000	0.0004	5,028	6,880	2,160	1.65	586
China Mobile Limited (Stock code: 941) ("CM")	75,000	0.0004	3,890	6,285	1,267	1.51	338
BOC Hong Kong (Holdings) Limited (Stock code: 2388) ("BOC")	300,000	0.0028	8,400	9,420	3,135	2.26	514
CLP Holdings Limited (Stock code: 0002) ("CLP")	50,000	0.0020	3,849	3,170	53	0.76	158
Swire Properties Limited (Stock code: 1972) ("Swire")	100,000	0.0017	1,918	1,706	62	0.45	106
New World Development Company Limited (Stock code: 0017) ("NWD")	30,000	0.0012	884	148	(99)	0.04	6
Ping An Insurance (Group) Company of China Limited (Stock code: 2318) ("Ping An")	150,000	0.0020	6,426	6,945	1,987	1.66	360
HKT Trust and HKT Limited (Stock code: 6823) ("HKT")	200,000	0.0010	2,044	2,080	254	0.50	155

Description of the investments

HKEX is a recognised exchange controller under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). HKEX operates the only recognised stock and futures markets in Hong Kong through its wholly-owned subsidiaries and is the frontline regulator of listed issuers in Hong Kong.

CCB is a joint-stock company incorporated in the PRC with limited liability and its H shares are listed on the main board of the Stock Exchange. CCB is a commercial bank and operates its businesses in domestic and overseas markets through corporate banking businesses, including corporate deposit, corporate credit loan, asset custody, enterprise annuity, trading financing, international settlement, international financing and value-added services, among others, personal banking businesses, including personal deposit, loan, bank card services, private bank services, foreign exchange trading and gold trading services, among others, and capital business.

CM is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of Stock Exchange. China Mobile Group is a leading telecommunications services provider in mainland China.

BOC is a company incorporated in Hong Kong with limited liability and its shares are listed on the Main Board of the Stock Exchange. The principal activities of BOC and its subsidiaries are the provision of banking and related financial services.

CLP is a company listed on the Hong Kong Stock Exchange, is the holding company for the CLP Group, one of the largest investor-owned power businesses in Asia Pacific. Through CLP Power Hong Kong Limited, it operates a vertically-integrated electricity supply business providing a highly-reliable supply of electricity to 80% of Hong Kong's population.

Swire is a property developer, owner and operator of mixed-use, principally commercial properties in Hong Kong and Mainland China. The company founded and headquartered in Hong Kong in 1972, Swire is a major property developer in Hong Kong, and is listed on the Stock Exchange of Hong Kong.

NWD is a Hong Kong-based company focused on property, hotels, infrastructure and services and department stores. The company is publicly listed on the Stock Exchange of Hong Kong Limited.

Ping An is a Chinese holding conglomerate whose subsidiaries mainly deal with insurance, banking, asset management, financial services, healthcare, auto services and smart city. The company was founded in 1988 and is headquartered in Shenzhen. Its shares are listed on the Main Board of the Stock Exchange.

HKT, also known as Hong Kong Telecom, is one of the largest telecommunications companies in Hong Kong. It has a dominant position in fixed line, mobile, IDD and broadband services in Hong Kong. The company along with HKT Trust, is a pair of listed corporations in the Hong Kong Stock Exchange.

As at 31 March 2025, except the investment in HKEX, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the Group. For details of investment in HKEX, please refer to the announcement of the Company dated 25 April 2022.

Foreign exchange risk

The Group mainly operates in Hong Kong and the majority of its operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group did not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the year ended 31 March 2025.

Principal risk and uncertainty

The Group's operation is subject to general economic and market risks which may affect the competition and profitability of construction projects. The Group's key risk exposures are summarised as follows:

1. The Group derives its revenue mainly from projects which are non-recurrent in nature, and there is no guarantee that the customers will provide us with new business or that we can secure new contracts.
2. The Group determines the contract price based on the estimated time and costs involved in the project. Inaccurate estimation or ineffective cost management may adversely affect the Group's financial results.
3. Any significant increase in construction material costs and/or the occurrence of any substandard construction materials may have adverse impacts on the financial results of the Group.
4. Construction litigation and disputes may adversely affect the Group's performance.
5. The Group's liquidity position may be adversely affected if the progress payment or the retention money is not paid or released to the Group on time or in full or the construction project cash flows are fluctuated.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognise that employees, customers and business partners are the keys to sustainable development of the Group. The Group recognises the importance of maintaining good relationships with its employees, business partners, customers, suppliers and sub-contractors to achieve its long-term business growth and development. Accordingly, the Group keeps good communications and shares business updates with them when appropriate.

The Group has provided its major customers formwork works for many years. Main contractors tend to select their subcontractors based on reputation, proven high-quality work and on-time project completion track records. Moreover, maintaining good customer relationships provides more opportunities and higher chances to (i) be invited for and (ii) win tenders. The Group considers that the long-term relationship with some of the major customers reinforces the Group as one of the preferred subcontractors to their projects. In particular, some of the customers with long-term relationship are wholly-owned subsidiaries of public companies listed on the Main Board and are long-established property developers or contractors in Hong Kong. The Directors believe that satisfactory completion of previous works on a timely basis enables us to maintain a continuous business relationship with these customers.

On the other hand, the Group keeps a pre-approved list of suppliers and a list of pre-approved subcontractors. These subcontractors possess the relevant qualifications and/or relevant experience, and certain subcontractors and suppliers have been our subcontractors and suppliers for many years. The Directors believe that the Group's stable relationship with the subcontractors and/or suppliers facilitates (i) a smooth delivery of good quality materials and/or services to the Group; (ii) a favourable bargaining position for purchase of materials with relatively stable price and terms; and (iii) the availability of supplies throughout the entire project period, which is crucial to the Group's day-to-day operations and future business development.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 1,231 employees in Hong Kong (2024: 2,179 employees). Remuneration packages are reviewed based on their performance, experience and the prevailing industry practice. The Group may pay a discretionary bonus to its employees based on individual performance in recognition of their contribution and hard work. In addition to salary payments and discretionary bonuses, the Group also provides the eligible staff other employment benefits, provident fund and educational subsidies. The total remuneration cost incurred by the Group which included headquarters' staffs and workers for the year ended 31 March 2025 was approximately HK\$473,103,000 compared to approximately HK\$578,773,000 for the year ended 31 March 2024.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group considers that a stringent quality assurance system and strong commitment to work's quality, safety, occupational health and environmental management are crucial in delivering quality works to the customers on a timely basis. Therefore, the Group has implemented a stringent management system to regulate the work's quality, safety and environmental management standards, which comply with international standards.

During the year ended 31 March 2025, there is no material breach of or non-compliance with applicable laws and regulations by the Group in respect of environmental issues that have significant impact on the business and operations of the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 March 2025, the Group was fined for a total sum of HK\$152,800 in respect of seven summon for violation of certain regulations under the Construction Sites (Safety) Regulations and Factories and Industrial Undertakings (Safety Management) Regulations.

The Directors consider that these violations are independent and isolated incidents. During the year ended 31 March 2025, save as disclosed above or otherwise in this announcement, the Group has complied with all applicable laws and regulations in Hong Kong in all material aspects for the business operation of the Group. During the year ended 31 March 2025, the Group has also obtained all the licenses, permits or certificates which are necessary to conduct its business operation in Hong Kong.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 31 March 2025 and up to the date of this announcement.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2025.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Friday, 15 August 2025. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 12 August 2025 to Friday, 15 August 2025 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Monday, 11 August 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities since the date of Listing.

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as the code of conduct regarding securities transactions of the Director. The Company has confirmed, after making specific enquiries with the Directors in accordance with the code of practice, that all the Directors have complied with the Model Code during the year ended 31 March 2025.

Compliance with the Code on Corporate Governance Practices

The Company has adopted all the code provisions (the “**Code Provision(s)**”) stated in the Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 to the Listing Rules as the code of the Company. The Board also reviews and monitors the practices of the Company from time to time with an aim to maintain and improve the Company's standards of corporate governance practices.

Details of the Company's corporate governance policies and practices will be discussed in the Company's 2025 annual report.

AUDIT COMMITTEE

The Company established the Audit Committee on 23 May 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. Lam Kai Yeung, Mr. Wong Yuk Lun Alan and Mr. Lam Wai Hung. Mr. Lam Kai Yeung 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 consolidated financial statements of the Group for the year ended 31 March 2025. It has also discussed the financial reporting process and the risk management and internal control systems of the Company with the management. The Audit Committee has also reviewed and discussed the audit, risk management, internal control and financial reporting matters of the Group, including review of the financial statements for the year ended 31 March 2025.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2025. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the respective websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.kinshingholdings.com.hk). The annual report for the year ended 31 March 2025 containing all the information required by the Listing Rules will be published on the websites of the Company and Hong Kong Exchanges and Clearing Limited and despatched to the shareholders in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our management and staff members for their commitment and contribution, and to all our shareholders, customers, subcontractors, suppliers and business partners for their endless support, and to the growth of the Group.

By order of the Board
Kin Shing Holdings Limited
Leung Chi Kit
Chairman and Executive Director

Hong Kong, 30 June 2025

As at the date of this announcement, Mr. Leung Chi Kit, Ms. Tso Yuk Ching, Mr. Chow Dik Cheung and Mr. Chan Sik Mau are the Executive Directors; and Mr. Wong Yuk Lun Alan, Mr. Lam Wai Hung and Mr. Lam Kai Yeung are the Independent non-executive Directors.