Dragon Rise Group Holdings Limited
龍昇集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6829)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Review Year amounted to approximately HK$929.9 million (FY2025: approximately HK$1,314.1 million).
- Gross profit margin for the Review Year was approximately 6.8% (FY2025: approximately 3.7%).
- Profit attributable to the equity holders of the Company for the Review Year amounted to approximately HK$15.7 million (FY2025: approximately HK$9.0 million).
- Basic and diluted earnings per share for the Review Year amounted to approximately HK cents 5.44 (FY2025: approximately HK cents 3.98).
- The Board has resolved not to recommend the declaration of a final dividend for the Review Year (FY2025: nil).

The board (the "**Board**") of directors (the "**Directors**") of Dragon Rise Group Holdings Limited (the "**Company**") is pleased to present the consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2026 (the "**Review Year**"), together with the comparative figures for the corresponding year ended 31 March 2025 (the "**FY2025**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	Notes	2026 *HK$'000*	2025 *HK$'000*
Revenue	4	**929,892**	1,314,136
Direct costs		**(866,761)**	(1,265,827)
Gross profit		**63,131**	48,309
Other gain, net	5	**4,234**	2,228
Administrative expenses		**(58,521)**	(36,834)
Reversal of expected credit losses ("**ECL**") allowance on trade and other receivables and contract assets, net		**3,103**	246
Finance costs	6	**(1,909)**	(3,448)
Profit before income tax	7	**10,038**	10,501
Income tax expense	8	**(5,971)**	(3,351)
Profit for the year		**4,067**	7,150
Profit for the year attributable to:			
Equity holders of the Company		**15,654**	9,032
Non-controlling interests		**(11,587)**	(1,882)
		4,067	7,150
		HK cents	*HK cents*
Earnings per share attributable to equity holders of the Company			
Basic and diluted	10	**5.44**	3.98

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Profit for the year		**4,067**	7,150
Other comprehensive gain:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of overseas operations		**683**	(231)
Total comprehensive income for the year		**4,750**	6,919
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**16,290**	8,819
Non-controlling interests		**(11,540)**	(1,900)
		4,750	6,919

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	**2026**	2025
		HK$'000	*HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**38,405**	19,808
Investment property		**3,830**	3,740
Intangible assets		**8,310**	–
Trade and other receivables	11	**2,056**	902
Financial asset at fair value through profit and loss		**2,000**	2,000
		54,601	26,450
Current assets			
Trade and other receivables	11	**207,739**	123,656
Contract assets	12	**182,455**	273,125
Cash, bank balances and pledged deposits		**80,776**	92,730
		470,970	489,511
Current liabilities			
Trade and other payables	13	**(120,632)**	(157,670)
Contract liabilities	12	**(807)**	(701)
Borrowings		**(49,798)**	(30,481)
Lease liabilities	14	**(7,947)**	(2,808)
Current tax liabilities		**(3,033)**	(706)
		(182,217)	(192,366)
Net current assets		**288,753**	297,145
Total assets less current liabilities		**343,354**	323,595
Non-current liabilities			
Borrowings		**(5,702)**	–
Lease liabilities	14	**(9,470)**	(4,862)
Deferred tax liabilities		**(754)**	(955)
		(15,926)	(5,817)
Net assets		**327,428**	317,778
CAPITAL AND RESERVES			
Share capital	15	**28,800**	28,800
Reserves		**306,464**	290,174
Equity attributable to equity holders of the Company		**335,264**	318,974
Non-controlling interests		**(7,836)**	(1,196)
TOTAL EQUITY		**327,428**	317,778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the Company's registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and principal place of business is Unit 09, 28/F, North Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company, and its subsidiaries are principally engaged in undertaking foundation works in Hong Kong as a subcontractor.

As at 31 March 2026, the Directors considered the Company's immediate and ultimate holding company is Fame Circle Limited ("**Fame Circle**"), a company incorporated in the British Virgin Islands (the "**BVI**") and is wholly owned by Mr. Yip Yuk Kit ("**Mr. Yip**", Mr. Yip and Fame Circle each being a "**Controlling Shareholder**").

2. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards (which term collectively includes Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance ("**CO**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRS Accounting Standards and the impacts on the Group's consolidated financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost basis except for investment property and financial asset at fair value through profit and loss, which are stated at fair value. The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the functional currency of the Group, and all values are rounded to the nearest thousands ("**HK$'000**"), except when otherwise indicated.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

(i) Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 April 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 "Lack of Exchangeability" which are effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2025.

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments do not have a material impact on the financial statements of the Group.

(ii) Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contacts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[2]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. These new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

4.1 Revenue

The Group's principal activities are disclosed in note 1 of the consolidated financial statements.

Revenue recognised for the years ended 31 March 2026 and 2025 are as follows:

	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Contracting revenue	**857,136**	1,222,588
Sales of construction materials	**72,756**	91,548
	929,892	1,314,136
Timing of revenue recognition under HKFRS 15		
Services transferred over time	**857,136**	1,222,588
Good transferred at a point in time	**72,756**	91,548
	929,892	1,314,136

Contracting revenue

Revenue from construction contracts are recognised over time as the Group's performance creates and enhances an asset that the customer controls which referred as the designated areas where the construction work services performed. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract.

Sales of construction materials

Revenue from sales of construction materials are recognised at a point in time when the Group transfers control of the goods to the customer.

4.2 Segment information

The chief operation decision marker (the "**CODM**") has been identified as the executive directors of the Company. The CODM regard the Group's business as a single operating segment and review the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented.

Geographical information

The following is an analysis of the Group's revenue by the geographical locations of customers:

	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**857,136**	1,222,588
Mainland China	**72,756**	91,548
	929,892	1,314,136

Since majority of the Group's non-current assets were located in Hong Kong, no separate analysis of segment information in non-current assets is presented.

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	2026	2025
	HK$'000	*HK$'000*
Customer A[1]	**361,245**	406,641
Customer B[1]	**220,173**	367,011
Customer C[1]	**121,621**	304,952
Customer D[1]	**112,041**	N/A[2]

1 The customer represents a collection of companies within a group.

2 The corresponding revenue did not individually contribute over 10% of the Group's revenue.

5. OTHER GAIN, NET

	2026	2025
	HK$'000	*HK$'000*
Net gains/(losses) from changes in fair value on investment property	**90**	(170)
Consultancy fee income	**1,500**	1,375
Rental income	**610**	156
Interest income	**504**	955
Net foreign exchange gain/(loss)	**1,286**	(353)
Gain on disposal of property, plant and equipment	**–**	250
Gain on disposal of subsidiaries	**97**	–
Others	**147**	15
	4,234	2,228

6. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interests on borrowings	**1,270**	3,183
Finance charges on lease liabilities	**639**	265
	1,909	3,448

7. PROFIT BEFORE INCOME TAX

	2026	2025
	HK$'000	*HK$'000*
Profit before tax is stated after charging/(crediting):		
(a) Staff costs (including directors' remuneration)		
– Salaries, wages, bonus and other benefits	**163,295**	182,837
– Retirement scheme contributions *(note a)*	**4,627**	4,725
Staff costs (including directors' remuneration) *(note b)*	**167,922**	187,562
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	**7,025**	9,018
Administrative expenses		
– Right-of-use assets	**6,170**	2,612
	13,195	11,630
Lease charges:		
– Short term lease of office	**389**	97
– Short term lease of machinery	**17,892**	22,946
Total lease charges	**18,281**	23,043
Subcontracting charges (included in direct costs)	**251,053**	209,850
Cost of sales of construction materials (included in direct costs)	**69,482**	85,569
Outgoings in respect of investment property	**49**	30
Auditor's remuneration	**1,290**	1,328
Reversal of ECL allowance on trade and other receivables and contract assets, net	**(3,103)**	(246)
Donation	**200**	–

Notes:

(a) During the years ended 31 March 2026 and 2025, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. As at 31 March 2026 and 2025, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions.

(b) Staff costs (including directors' remuneration) are as follows:

	2026	2025
	HK$'000	*HK$'000*
Direct costs	**141,311**	167,302
Administrative expenses	**26,611**	20,260
	167,922	187,562

8. INCOME TAX EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Current tax:		
Hong Kong profit tax *(note a)*	**6,122**	3,998
PRC enterprise income tax *(note b)*	**50**	189
Deferred tax	**(201)**	(836)
Income tax expense for the year	**5,971**	3,351

Notes:

(a) Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying entities will be taxed at 8.25%, and the profits above HK$2 million will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%. For the years ended 31 March 2026 and 2025, Hong Kong profits tax of a subsidiary of the Company is calculated in accordance with the two-tiered profits tax rate regime.

(b) Taxation on overseas profit has been calculated on the assessable profit for the year at the rates of taxation prevailing in the country in which the Group operates.

9. DIVIDENDS

No dividend was paid or proposed for the years ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to equity holders of the Company is based on the following:

	2026	2025
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to equity holders of the Company	**15,654**	9,032
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares	**288,000**	226,658

There were no dilutive potential ordinary shares during the years ended 31 March 2026 and 2025 and therefore, diluted earnings per share equals to basic earnings per share.

11. TRADE AND OTHER RECEIVABLES

	Notes	2026 HK$'000	2025 HK$'000
Trade receivables			
– from third parties	(a)	**130,206**	62,559
Less: ECL allowance, net		**(936)**	(314)
		129,270	62,245
Deposit, prepayment and other receivables			
Other receivables		**1,733**	529
Performance deposits *(note i)*		**60,000**	60,000
Prepayment *(note ii)*		**16,341**	1,805
Utility and other deposits		**2,960**	1,047
Amount due from the ultimate holding company	(b)	**110**	110
		81,144	63,491
Less: ECL allowance, net		**(619)**	(1,178)
		80,525	62,313
		209,795	124,558
Representing:			
Non-current assets		**2,056**	902
Current assets		**207,739**	123,656
		209,795	124,558

Note:

(i) The amount was paid to a Group's customer as security for the due performance and observance of the Group's obligations under the contract entered into between the Group and the customer.

(ii) Prepayment of (i) purchasing of motor vehicles for trading purposes of approximately HK$11,191,000 (2025: nil); (ii) purchasing for materials of approximately HK$114,000 (2025: HK$236,000) and (iii) purchasing for property, plant and equipment of approximately HK$975,000 (2025: HK$975,000).

The directors of the Company consider that the fair values of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts, because their balances have short maturity periods on their inception.

(a) Trade receivables

Based on the invoice dates (or date of revenue recognition, if earlier), the ageing analysis of the trade receivables, net of ECL allowance, was as follows:

	2026	2025
	HK$'000	*HK$'000*
0 – 30 days	**109,829**	40,952
31 – 60 days	**18,107**	17,206
61 – 90 days	**–**	4,087
Over 90 days	**1,334**	–
	129,270	62,245

The movement in the ECL allowance on trade receivables is as follows:

	2026	2025
	HK$'000	*HK$'000*
Balance as at 1 April	**314**	27
ECL recognised during the year, net	**622**	287
Balance as at 31 March	**936**	314

The movement in the ECL allowance on other receivables is as follows:

	2026	2025
	HK$'000	*HK$'000*
Balance as at 1 April	**1,178**	–
ECL (reversal)/recognised during the year, net	**(559)**	1,178
Balance as at 31 March	**619**	1,178

(b) Amounts due from the ultimate holding company

The amounts due are unsecured, interest-free and repayable on demand.

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

12.1 Contract assets

	2026	2025
	HK$'000	*HK$'000*
Unbilled revenue	**106,456**	186,030
Retention receivables	**76,623**	90,885
Less: ECL allowance, net	**(624)**	(3,790)
	182,455	273,125

Note:

Unbilled revenue represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. Unbilled revenue are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

Retention receivables included in contract assets represent certified contract payments in respect of works performed, for which payments are withheld by customers for retention purposes, and the amount retained is withheld on each payment up to a maximum amount calculated on a prescribed percentage of the contract sum.

Changes of contract assets during the year ended 31 March 2026 were mainly due to:

(i) Changes in retention receivables as a result of changes in number of ongoing and completed contracts during the year; and

(ii) Changes in number of contract works that the relevant services were completed but yet been certified at the end of each reporting period.

Retention receivables are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. The gross amount of contract assets expected to be recovered/settled over one year is HK$63,157,000 (2025: HK$67,463,000), all of the remaining balances were expected to be recovered/settled within one year.

Based on ECL assessment, ECL allowance of HK$624,000 (2025: HK$3,790,000) has been recognised as at 31 March 2026.

The movement in the ECL allowance on contract assets are as follows:

	2026	2025
	HK$'000	*HK$'000*
Balance as at 1 April	**3,790**	5,501
ECL reversal recognised during the year, net	**(3,166)**	(1,711)
Balance as at 31 March	**624**	3,790

12.2 Contract liabilities

	2026	2025
	HK$'000	*HK$'000*
Contract liabilities arising from construction contracts from billings in advance of performance	**807**	701

All of the contract liabilities are expected to be recovered/settled within one year.

Revenue recognised in relation to contract liabilities

	2026	2025
	HK$'000	*HK$'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**701**	464

Unsatisfied long-term construction contracts

The transaction price allocated to the remaining unsatisfied or partially satisfied performance obligation as at 31 March are as follows:

	2026	2025
	HK$'000	*HK$'000*
Within one year	**1,129,304**	927,038

The amounts disclosed above do not include transaction price allocated to performance obligations which have been satisfied but not yet recognised due to variable consideration constraint.

13. TRADE AND OTHER PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Trade payables *(note a)*	**108,079**	151,834
Accruals and other payables *(note b)*	**12,553**	5,836
	120,632	157,670

Notes:

(a) Payment terms granted by suppliers are 0 to 90 days (2025: 0 to 90 days) from the invoice date of the relevant purchases.

The ageing analysis of trade payables based on the invoice date is as follows:

	2026	2025
	HK$'000	*HK$'000*
0 – 30 days	**83,469**	125,527
31 – 60 days	**22,914**	18,469
61 – 90 days	**76**	7,474
Over 90 days	**1,620**	364
	108,079	151,834

(b) As at 31 March 2026, accruals and other payables mainly comprised of: (i) accrued professional fee which amounted to HK$1,688,000 (2025: HK$1,608,000); (ii) accrued employee benefits of approximately HK$1,813,000 (2025: HK$1,830,000); (iii) amount due to a director which amounted to HK$1,255,000 (2025: HK$1,509,000) and (iv) amount due to a related party which amounted to HK$4,314,000 (2025: nil). The amount due is unsecured, interest-free and repayable on demand.

(c) All amounts are short-term and hence, the carrying values of the Group's trade payables and accruals and other payables are considered to be a reasonable approximation of fair value.

14. LEASE LIABILITIES

The analysis of the Group's lease liabilities is as follows:

	2026	2025
	HK$'000	*HK$'000*
Total minimum lease payments:		
Within one year	**8,528**	3,168
After one year but within two years	**5,628**	3,472
After two years but within five years	**4,318**	1,612
	18,474	8,252
Future finance charges	**(1,057)**	(582)
Present value of lease liabilities	**17,417**	7,670
Present value of minimum lease payment:		
Within one year	**7,947**	2,808
After one year but within two years	**5,353**	3,282
After two years but within five years	**4,117**	1,580
	17,417	7,670
Less: Portion due within one year included under current liabilities	**(7,947)**	(2,808)
Portion due after one year included under non-current liabilities	**9,470**	4,862

During the year ended 31 March 2026, the total cash outflows for the leases are HK$6,993,000 (2025: HK$2,464,000).

15. SHARE CAPITAL

	2026		2025	
	Number of shares	***HK$'000***	*Number of shares*	*HK$'000*
Authorised:				
As at 1 April	**1,000,000,000**	**100,000**	10,000,000,000	100,000
Share consolidation *(note b)*	**–**	**–**	(9,000,000,000)	–
As at 31 March	**1,000,000,000**	**100,000**	1,000,000,000	100,000
Issued and fully paid:				
As at 1 April	**288,000,000**	**28,800**	1,200,000,000	12,000
Placing of shares *(note a)*	**–**	**–**	240,000,000	2,400
Share consolidation *(note b)*	**–**	**–**	(1,296,000,000)	–
Issuance of shares under rights issue *(note c)*	**–**	**–**	144,000,000	14,400
As at 31 March	**288,000,000**	**28,800**	288,000,000	28,800

Notes:

(a) On 26 July 2024, the Company entered into the placing agreement with a placing agent pursuant to which the placing agent has agreed, as agent of the Company, to procure to not less than six places to subscribe for up to 240,000,000 placing shares with nominal value of HK$0.01 each at the placing price of HK$0.064 per placing share. The shares issued rank pari passu with other shares in issue in all aspects. The net proceeds from placing were approximately HK$15,051,000 after deducting the related expenses. The placing of shares was completed on 9 August 2024.

(b) On 13 September 2024, the Company implemented the Share Consolidation on the basis that every ten issued and unissued shares with a par value of HK$0.01 each in the share capital of the Company be consolidated into one Consolidated Share (the "**consolidated share**") with a par value of HK$0.1 each in the share capital of the Company. The Share Consolidation was duly passed by the shareholders of the Company by way of poll on 12 November 2024. Further details were set out in the Company's circular dated 18 October 2024.

(c) Further on 13 September 2024, the Company implemented the rights issue on the basis of every one rights share for every one Consolidated Share held on 25 November 2024 at the subscription price of HK$0.2 per rights share. The rights issue became unconditional on 19 December 2024 and was completed on 23 December 2024. Total 144,000,000 ordinary shares with nominal value of HK$0.1 each were issued, the gross proceeds from the rights issue were approximately HK$28,800,000 and the net proceeds were approximately HK$27,607,000 after deducting the related expenses. These rights shares issued rank pari passu with the existing shares in all respects.

16. CONTINGENT LIABILITIES

As at 31 March 2026 and 2025, the Group has been involved in a number of claims, litigations and potential claims against the Group in relation to work-related injuries and non-compliances. The potential claims and litigations against the Group, as a subcontractor, are insured by main contractor's insurance policy, the directors are of the opinion that the claims, litigations and non-compliances are not expected to have a material impact on the consolidated financial statements, and the outcome for potential claims is uncertain. Accordingly, no provision has been made to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The global EV battery-swapping market is experiencing exceptional growth momentum. According to Research and Markets, the market was valued at approximately US$4.7 billion in 2025 and is projected to reach approximately US$24.3 billion by 2030, representing a CAGR of 38.8%. The Asia-Pacific region, led by China, accounted for approximately 38.5% of global market share in 2025, driven by extensive government support and EV adoption. China alone has committed approximately US$2 billion in state subsidies to battery-swapping infrastructure, and CATL – the world's largest EV battery manufacturer with a 38.1% global market share – has partnered with Sinopec targeting an initial 500 swapping stations with a long-term plan for 10,000 sites nationally.

In Hong Kong, the policy environment has evolved considerably in favour of battery-swapping for commercial vehicles. The government's updated EV Popularisation Roadmap published in February 2026 extended first registration tax exemptions for electric commercial vehicles to 31 March 2028 and set a target of over 4,000 high-speed charging points by 2030. The 2025 Policy Address explicitly supported swappable vehicle models and automated battery-swapping stations. As at March 2026, approximately 166,000 electric vehicles were registered in Hong Kong, representing approximately 18.2% of the total fleet, yet the current charging-to-swap infrastructure ratio stands at approximately 3,000:1, highlighting the scale of the unmet demand that the Group is positioned to address.

The Group's construction-related business operates in a market that demonstrated a measured recovery during the Review Year. The total nominal value of piling and related foundation works in Hong Kong reached HK$19.91 billion, representing year-on-year growth of 15.6%. Government infrastructure expenditure is projected to average approximately HK$120 billion per annum over the next five years, primarily driven by public housing and New Territories development programmes. Private sector activity showed early signs of recovery, with building and sale agreement registrations rising 18.7% year-on-year, though developers remained cautious in commencing new projects against a backdrop of elevated financing costs.

BUSINESS REVIEW AND OUTLOOK

The Group's construction-related business, operated through Kit Kee Engineering Limited – a leading foundation engineering subcontractor with nearly 50 years of operating history and over 300 major projects completed – continued to underpin the Group's financial performance during the Review Year. Despite subdued private sector activity, the Group's strong customer relationships and established track record enabled it to maintain a healthy order pipeline, particularly from government-backed public projects in the New Territories.

During the Review Year, the Group's total revenue amounted to approximately HK$929.9 million, compared to HK$1,314.1 million in FY2025. As noted above, the decline reflects a deliberate reduction in lower-margin construction projects. Gross profit increased to approximately HK$63.1million from HK$48.3 million, with gross profit margin expanding from 3.7% to 6.8%. Profit before taxation was approximately HK$10.0 million, and profit after taxation was approximately HK$4.1 million. The Group's balance sheet remained sound, with cash and bank balances of approximately HK$80.8 million and total assets of approximately HK$525.6 million as at 31 March 2026.

The Group made substantial and highly visible progress in its new energy business during and immediately after the Review Year. As the Hong Kong strategic partner of CATL for its "Choco-Swap" battery-swapping technology, Dragon Rise New Energy Holdings Limited commenced trial operations with the opening of Hong Kong's first Choco-Swap station in Fanling in the second quarter of 2026. Each station achieves a 99.99% success rate and completes a battery swap as fast as 99 seconds, and can serve between 540 and 822 swaps per day. The Group has over 10 stations targeted for completion across Hong Kong by end-2027. In June 2026, the Group delivered the first batch of Hongqi E-QM5 battery-swapping taxis, the world's first right-hand-drive swappable new energy taxi, at a landmark launch event for the "Battery-Swapping New Ecosystem Alliance".

Beyond the taxi segment, the Group signed an agreement to supply battery-swapping trucks to terminal operator based in Hong Kong in the second quarter of 2026, and entered into a Memorandum of Understanding in May 2026 to jointly develop a battery-swapping ecosystem for electric commercial vehicles, covering compact vans and light, medium and heavy goods trucks, with an automotive trader whose parent company is one of the PRC's largest truck manufacturers, with a view to future expansion into neighbouring markets.

Looking ahead, the Board is confident in the Group's strategic positioning. The new energy business is expected to begin generating meaningful revenue in the coming financial year as station operations scale and E-QM5 deliveries ramp up against the pre-order backlog. The Group's construction-related business provides not only financial stability but also a practical competitive advantage in station deployment, leveraging its deep expertise in site assessment, regulatory approvals and civil construction. Regionally, the Group is developing its Southeast Asia expansion blueprint, using Hong Kong as a pilot market for replication into Thailand, Malaysia and Singapore, each of which has established supportive EV policy frameworks with 2030 penetration targets ranging from 20% to 100% clean fleets. The Board will continue to exercise disciplined capital allocation, balancing investment in growth with a sound financial position, as it pursues sustainable long-term value for shareholders.

FINANCIAL REVIEW

Revenue

For the Review Year, the revenue of the Group has decreased by approximately HK$384.2 million, or approximately 29.2% compared to FY2025, from approximately HK$1,314.1 million to approximately HK$929.9 million. The decrease was primarily attributable to a decrease in contract revenue due to a decrease in the number of sizable projects during the Review Year.

The Board regards the Group's business as a single operating segment and reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, no segment analysis information is presented.

Gross Profit and Gross Profit Margin

Direct costs decreased by approximately HK$399.0 million or approximately 31.5% from approximately HK$1,265.8 million for the FY2025 to approximately HK$866.8 million for the Review Year. The gross profit of the Group has increased by approximately HK$14.8 million, or approximately 30.6% compared to FY2025, from approximately HK$48.3 million to approximately HK$63.1 million. The gross profit margin for the Review Year was approximately 6.8%, compared to that for the FY2025 of approximately 3.7%. The increase in gross profit margin was mainly due to the relatively high profit margin for certain sizable projects.

Other Gain, Net

Other gain, net mainly included consultancy fee income, interest income, changes in fair value on investment property and exchange differences. For the Review Year, other gain, net amounted to approximately HK$4.2 million as compared with other gain, net approximately HK$2.2 million for FY2025. The increase in other gain, net for the Review Year was mainly due to the net foreign exchange gain of approximately HK$1.3 million recognised for the Review Year.

Administrative Expenses

For the Review Year, the administrative expenses increased by approximately HK$21.7 million or approximately 59.0% compared to FY2025, from approximately HK$36.8 million to approximately HK$58.5 million. The increase was primarily due to (1) an increase in staff costs included in administrative expenses of approximately HK$6.3 million and (2) an increase in consulting fee, marketing fee and depreciation expenses for new business development of approximately HK$10.4 million for the Review Year.

Reversal of Expected Credit Loss ("ECL") Allowance on Trade and Other Receivables and Contract Assets, net

For the Review Year, the reversal of ECL allowance on trade and other receivables and contract assets increased by approximately HK$2.9 million compared to FY2025, from reversal of approximately HK$0.2 million to reversal of approximately HK$3.1 million. The increase of reversal was mainly due to the financial conditions and repayment abilities of certain customers in the Group's business have been improved.

Finance Costs

For the Review Year, the finance costs amounted to approximately HK$1.9 million as compared to FY2025 of approximately HK$3.4 million. The decrease was primarily due to the decrease in interest rate during the Review Year.

Income Tax Expense

For the Review Year, the income tax expense increased by approximately HK$2.6 million or approximately 76.5% compared to the FY2025, from approximately HK$3.4 million to approximately HK$6.0 million. Such increase was mainly due to the increase in taxable income for the Review Year.

Net Profit

For the Review Year, the net profit amounted to approximately HK$4.1 million, as compared to approximately HK$7.2 million from FY2025. Net profit margin for the Review Year was approximately 0.4%, as compared with approximately 0.5% for FY2025. The decrease in the net profit margin for the Review Year was mainly due to increase in administrative expenses for new business during the Review Year.

LIQUIDITY AND FINANCIAL RESOURCE

The Group continued to finance its working capital with internally generated cash flows and bank borrowings.

As at 31 March 2026, the Group had total cash, bank balances and pledged deposits of approximately HK$80.8 million (31 March 2025: approximately HK$92.7 million).

CAPITAL STRUCTURE

As at 31 March 2026, the Company's issued capital was HK$28.8 million and the number of its issued ordinary shares was 288,000,000 shares of HK$0.1 each.

Current Ratio

Current ratio is calculated as current assets divided by current liabilities as at the respective reporting dates.

The Group's current ratio increased from approximately 2.5 times as at 31 March 2025 to approximately 2.6 times as at 31 March 2026. The increase was mainly due to the decrease in trade payable as at 31 March 2026.

Gearing Ratio

Gearing ratio is calculated as total borrowings (including lease liabilities) divided by the total equity as at the respective reporting dates.

The Group's gearing ratio increased from approximately 12.0% as at 31 March 2025 to approximately 22.3% as at 31 March 2026. The increase was primarily due to the increase in bank borrowings as at 31 March 2026.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board 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 all the time.

Pledge of Assets

As at 31 March 2026, the Group had pledged (i) approximately HK$10.6 million bank deposits (31 March 2025: approximately HK$10.4 million bank deposits); and (ii) corporate guarantee given by the Company in order to secure bank facilities granted to Kit Kee Engineering.

FOREIGN EXCHANGE EXPOSURE

As the Group mainly operates in Hong Kong and most of the revenue and transactions arising from its operations were settled in Hong Kong dollars, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Review Year.

During the Review Year, the Group incurred an exchange gain of approximately HK$1.3 million (For FY2025: exchange loss approximately HK$0.4 million).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2026, the Group had capital commitments of approximately HK$5.8 million (For FY2025: approximately HK$2.0 million) for acquiring machine.

As at 31 March 2026 and 2025, the Group had been involved in a number of claims, litigations and potential claims against the Group in relation to work-related injuries and non-compliances. The Directors are of the opinion that the claims, litigations and non-compliances are not expected to have a material impact on the consolidated financial statements, and the outcome for potential claims is uncertain. Accordingly, no provision has been made to the consolidated financial statements.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Review Year, the Group did not have any significant investments held, nor any material acquisitions or disposals of subsidiaries or associated companies.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 26 January 2018 (the "**Prospectus**"), the Group did not have any other plans for material investments or capital assets during the Review Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, the Group employed a total of 427 full-time employees (including three executive Directors but excluding four independent non-executive Directors), as compared to a total of 322 full-time employees as at 31 March 2025. The remuneration packages that the Group offers to employees 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 its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The Group also adopted a share option scheme whereby qualified participants may be granted options to acquire shares in the Company. The total staff cost incurred by the Group for the Review Year was approximately HK$167.9 million compared to approximately HK$187.6 million of FY2025.

The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

DIVIDENDS

The Board has resolved not to recommend the declaration of final dividend for the Review Year (FY2025: nil).

CORPORATE GOVERNANCE CODE/OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted the corporate governance code (the "**CG code**") contained in Part 2 of Appendix C1 to the Listing Rules. Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman of the Board (the "**Chairman**") and the chief executive officer of the Company (the "**Chief Executive Officer**") should be separated and should not be performed by the same individual. Mr. Yip was the Chairman and Chief Executive Officer during the Review Year. As Mr. Yip has been assuming day-to-day responsibilities in operating and managing Kit Kee Engineering since August 1993, the Board is of the view that it is in the best interest of the Group to have Mr. Yip taking up both roles for effective management and business development.

Save for the above deviation, the Board considers that during the Review Year, the Company has complied with all the code provisions set out in the CG Code.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of the Directors, all of the Directors have confirmed that they have complied with the requirements of the Model Code during the period from the date of listing of the Company's shares on the Main Board of the Stock Exchange and up to the date of this announcement.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 18 January 2018. The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time or part-time), Directors, consultants, advisors, substantial shareholder, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 18 January 2018, and there was no outstanding share option as at 31 March 2026.

The number of options available for grant under the Share Option Scheme as at 1 April 2025 and 31 March 2026 was 12,000,000 and 12,000,000 respectively, representing approximately 4.17% and 4.17% of the total issued shares of the Company (excluding treasury shares if any).

As at 31 March 2026, the total number of securities of the Company available for issue under the Share Option Scheme was 12,000,000, representing 4.17% of the issued shares as at the date of this announcement. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 18 January 2018, and there is no outstanding share option as at 31 March 2026.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Review Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

EVENTS AFTER THE REVIEW YEAR

Entering of a Non-legally Binding Memorandum of Understanding

On 20 May 2026, Dragon Rise New Energy Holdings Limited, a non-wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding with an automotive trader to jointly establish and promote a battery-swaping ecosystem for electric commercial vehicle. For details, please refer to the Company's announcement dated 21 May 2026.

Changing in Board Lot Size

On 23 April 2026, the board lot size of the shares of the Company (the "**Shares**") trading on the Stock Exchange changed from 10,000 Shares to 1,000 Shares. For details, please refer to Company's announcement dated 27 March 2026.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Review Year and up to the date of this announcement.

AUDIT COMMITTEE

The Company established an Audit Committee on 18 January 2018 with written terms of reference in compliance with the CG code. The primary roles of the Audit Committee include, but are not limited to, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring the integrity of the financial statements and annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them; and (c) reviewing the financial controls, internal control and risk management systems.

The Audit Committee consists of three members who are all independent non-executive Directors, namely, Mr. Chan Wa Shing, Mr. Bok Kwok Ming Aaron and Ms. Ding Xin. Ms. Ding Xin is the chairlady of the Audit Committee.

REVIEW OF ANNUAL RESULTS

The Group's consolidated financial statements for the Review Year have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made. The figures in respect of the announcement of the Group's results for the Review Year have been agreed with the Company's auditors, Grant Thornton Hong Kong Limited ("**Grant Thornton**"), to the amounts set out in the Group's draft audited consolidated financial statements for the year. The work performed by Grant Thornton 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 as issued by the HKICPA and consequently no assurance has been expressed by Grant Thornton on this announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.kitkee.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The 2026 Annual Report will be despatched to shareholders of the Company and made available on the same websites in due course.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to the shareholders, investors and business partners of the Group for their trust and support.

By order of the Board
Dragon Rise Group Holdings Limited
Yip Yuk Kit
Chairman and Executive Director

Hong Kong, 29 June 2026

As at the date of this announcement, the Board comprises Mr. Yip Yuk Kit, Mr. Cheung Chun Fai and Mr. Zou Shuji as executive Directors; and Mr. Chan Wa Shing, Ms. Ding Xin, Mr. Bok Kwok Ming Aaron and Mr. Lam Sai Hung as independent non-executive Directors.