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Kin Pang Holdings Limited

建鵬控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1722)

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

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Kin Pang Holdings Limited (the “**Company**”) hereby announces the consolidated financial information of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the corresponding year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Note</i>	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Revenue	5	637,124	675,230
Direct costs	6	<u>(626,901)</u>	<u>(668,196)</u>
Gross profit		10,223	7,034
Other income and other gains/(losses)	7	4,425	4,792
Administrative expenses	6	(30,617)	(30,985)
(Provision for)/reversal of impairment losses of financial assets under expected credit loss model		<u>(80)</u>	<u>1,085</u>
Operating loss		(16,049)	(18,074)
Finance costs	8	(4,387)	(3,966)
Share of results of investments accounted for using the equity method		<u>(10)</u>	<u>–</u>
Loss before income tax		(20,446)	(22,040)
Income tax credit	9	<u>669</u>	<u>4,349</u>
Loss and total comprehensive loss for the year attributable to the owners of the Company		<u><u>(19,777)</u></u>	<u><u>(17,691)</u></u>
Loss per share attributable to owners of the Company (in MOP cents)			
Basic and diluted	11	<u><u>(1.80)</u></u>	<u><u>(1.61)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Note</i>	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		120,046	115,043
Right-of-use assets		6,537	2,541
Prepayments and deposits		858	8,311
Investments accounted for using the equity method		14	–
		127,455	125,895
Current assets			
Trade receivables	12	58,663	70,693
Prepayments, deposits, and other receivables		15,480	25,795
Contract assets		188,209	159,377
Amounts due from joint operations		214	5,300
Pledged and fixed bank deposits		27,640	27,245
Cash and cash equivalents		19,099	28,701
		309,305	317,111
Total assets		436,760	443,006
EQUITY			
Equity attributable to owners of the Company			
Share capital		11,330	11,330
Reserves		129,672	149,449
Total equity		141,002	160,779

	<i>Note</i>	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
LIABILITIES			
Non-current liabilities			
Deferred government grants		–	74
Lease liabilities		<u>3,788</u>	<u>458</u>
		<u>3,788</u>	<u>532</u>
Current liabilities			
Trade and other payables	13	171,160	164,217
Contract liabilities		10,020	1,357
Amounts due to joint operations		3,931	6,409
Income tax payable		228	1,034
Bank borrowings	14	103,661	106,371
Deferred government grants		74	165
Lease liabilities		<u>2,896</u>	<u>2,142</u>
		<u>291,970</u>	<u>281,695</u>
Total liabilities		<u>295,758</u>	<u>282,227</u>
Total equity and liabilities		<u>436,760</u>	<u>443,006</u>

NOTES

1. GENERAL INFORMATION

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

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

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

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

2. GOING CONCERN

The Group reported a net loss of approximately MOP19,777,000 for the year ended 31 December 2025 and as of that date, the Group breached a financial covenant associated with a bank borrowing amounted to approximately MOP6,180,000. It triggered cross-defaults of other bank borrowings of approximately MOP34,841,000, while its cash and cash equivalents amounted to approximately MOP19,099,000 only.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration of the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient resources to continue as a going concern. The Directors have reviewed the Group’s cash flow projections prepared by management, covering a period of not less than twelve months from 31 December 2025 taking into consideration the following plans and measures:

- (i) Subsequent to the year end date, the Group obtained a new banking facility of MOP35,000,000 for project financing purposes and has successfully drawn down MOP5,317,000. The directors are confident that the Group could draw down the remaining balance of MOP29,683,000 as and when needed;
- (ii) The Group plans to repay the aforesaid bank borrowing of approximately MOP6,180,000 if the relevant bank demands the Group for immediate repayment, otherwise the Group will repay the aforesaid bank borrowing by November 2026 according to the original repayment schedule. Upon such repayment, the Group expects that the cross-default clauses of the other bank borrowings of approximately MOP34,841,000 will no longer be breached. Based on the recent discussion between management and the bank related to the bank borrowings with cross-default clauses and the Company’s experience with the bank under a similar situation in prior years, the Directors are of the opinion that the bank will not exercise its right under the relevant cross-default clauses for the demand of immediate repayment of the bank borrowings and believe that the bank borrowings will be repaid in accordance with the scheduled dates as set out in the relevant loan agreements;

- (iii) Mr. Kong Kin I, the ultimate controlling party, has issued a letter to the Group and agrees to provide financial support to the Group for a period up to 31 March 2027 and take measures to enable the Group to have sufficient working capital to meet its liabilities and obligations as and when they fall due and to carry on its business without a significant curtailment of operations;
- (iv) Given the good track records and relationship the Group has with the banks, the directors are of the opinion that the Group will be able to renew the existing banking facilities with the banks when their current terms expire and to secure new bank borrowings, as and when needed; and
- (v) The Group will continue its efforts to generate operating cash inflows by implementing cost control and measures, expediting the collection of trade receivables and contract assets while closely monitoring its operation and take appropriate actions when necessary.

In the opinion of the directors, in light of the above plans and measures, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainty exists as to whether management of the Group can achieve all of the plans and measures described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to obtain financial support from Mr. Kong Kin I as and when needed, secure various sources of short-term or long-term financing as and when required and to generate operating cash inflows in the expected timeframe from its projects.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to standards adopted by the Group

The Group has applied the following amendments to standards for the first time for their annual reporting period commencing 1 January 2025:

HKAS 21 and HKFRS 1	Lack of Exchangeability (Amendments)
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The adoption of these amendments has had no significant impact on the results and financial position of the Group. The Group has not changed significantly on its material accounting policies or make retrospective adjustments as a result of adopting these amendments.

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

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

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

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply HKFRS 18 from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

The Group will apply the above new standards, revised framework and amendments to standards when they become effective. Except for the HKFRS 18 mentioned above, no new standard, revised framework and amendments to standards is expected to have a material effect on the entity in the current or future reporting periods and on foreseeable future transactions.

4. MATERIAL ACCOUNTING POLICIES

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

5. REVENUE AND SEGMENT INFORMATION

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

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

The Group is principally engaged in provision of building and ancillary services in Macau and Hong Kong. The CODM reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions. Revenue and loss before income tax are the measure reported to the CODM for the purpose of resources allocation and performance assessment.

6. EXPENSES BY NATURE

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Material and subcontractor costs	427,991	420,675
Auditor's remuneration	1,212	1,267
Depreciation of property, plant and equipment	33,085	23,480
Depreciation of right-of-use assets	3,099	2,865
Employee benefit costs (including Directors' emoluments)	121,493	151,885
Legal and professional fees	4,776	6,440
Expense relating to short-term leases	10,346	17,302
Transportation and delivery costs	29,328	42,908
Others	26,188	32,359
	<hr/>	<hr/>
Total direct costs and administrative expenses	657,518	699,181

7. OTHER INCOME AND OTHER GAINS/(LOSSES)

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Interest income	573	563
Interest income on loan to a joint operation	–	64
Income from the rental of equipment	175	849
Income from provision of manpower services	857	882
Gain/(loss) on disposal of property, plant and equipment	97	(66)
Gain on disposal of a subsidiary	–	13
Gain on lease termination	–	2
Gain on sales of scrap materials	375	470
Amortisation of deferred government grants	165	165
Service income from a joint venture	192	213
Compensation from insurance claim	1,717	1,425
Sundry income	274	212
	<hr/>	<hr/>
	4,425	4,792

8. FINANCE COSTS

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Interest expense on borrowings	4,141	3,693
Interest expense on bank overdrafts	–	25
Interest expense on lease liabilities	246	248
	<hr/>	<hr/>
	4,387	3,966

9. INCOME TAX CREDIT

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Current tax		
Macau Complementary Tax	228	118
Hong Kong Profit Tax	–	893
Over-provision in prior years (<i>Note</i>)	(897)	(5,343)
Deferred tax	–	(17)
	<u>(669)</u>	<u>(4,349)</u>

Macau Complementary Tax is calculated at 12% of the estimated assessable profits above MOP600,000 for the year ended 31 December 2025 (2024: Same).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands (2024: Nil).

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

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

10. DIVIDENDS

No dividend has been declared or paid by the Company for the year ended 31 December 2025 (2024: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

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

	2025	2024
Loss attributable to owners of the Company (<i>MOP'000</i>)	(19,777)	(17,691)
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>in thousands</i>)	<u>1,100,000</u>	<u>1,100,000</u>
Basic loss per share (<i>MOP cents</i>)	<u>(1.80)</u>	<u>(1.61)</u>

(b) Diluted loss per share

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

12. TRADE RECEIVABLES

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Trade receivables		
– contracts with customers	59,449	71,371
Less: loss allowance	<u>(786)</u>	<u>(678)</u>
	<u>58,663</u>	<u>70,693</u>

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

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
0 to 30 days	45,443	60,085
31 to 60 days	9,231	2,609
61 to 90 days	1,541	4,733
Over 90 days	<u>3,234</u>	<u>3,944</u>
	<u>59,449</u>	<u>71,371</u>

13. TRADE AND OTHER PAYABLES

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Trade payables	123,655	106,382
Retention payables	32,463	30,989
Salaries payable	9,768	14,110
Accruals and other payables	<u>5,274</u>	<u>12,736</u>
	<u>171,160</u>	<u>164,217</u>

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

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
0 to 30 days	64,244	57,251
31 to 60 days	8,313	17,570
61 to 90 days	8,190	7,535
Over 90 days	<u>42,908</u>	<u>24,026</u>
	<u>123,655</u>	<u>106,382</u>

14. BANK BORROWINGS

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
Secured:		
– Bank borrowings	83,061	87,871
Unsecured:		
– Bank borrowings	<u>20,600</u>	<u>18,500</u>
	<u>103,661</u>	<u>106,371</u>

The bank borrowings are at floating rates which carry interests at MOP best lending rate, Macau Interbank Offered Rate (“**MIBOR**”) and Hong Kong Interbank Offered Rate (“**HIBOR**”) plus/minus a spread. The effective interest rate on the Group’s bank borrowings was 3.99% per annum for the year ended 31 December 2025 (2024: 4.06% per annum).

As at 31 December 2025, the Group failed to maintain the net asset value level required under the financial covenant in a banking facility agreement, resulting in a breach of covenant in respect of the bank borrowing amounted to approximately MOP6,180,000. It triggered cross-defaults and resulted in a breach of certain bank borrowings amounted to approximately MOP34,841,000. All the above-mentioned bank borrowings are guaranteed by the Company and secured by pledged bank deposits amounted to approximately MOP4,972,000.

As at 31 December 2025, the remaining bank borrowings of approximately MOP62,640,000 (2024: MOP58,427,000) contain a repayment on demand clause and were classified as current liabilities (2024: Same). Out of such amounts, the bank borrowings of approximately MOP772,000 (2024: Nil) and MOP598,000 (2024: Nil) that have original contractual repayment due one to two years and two to five years, respectively were classified as current liabilities.

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

	2025 <i>MOP'000</i>	2024 <i>MOP'000</i>
MOP	97,481	106,371
HK\$	<u>6,180</u>	<u>–</u>
	<u>103,661</u>	<u>106,371</u>

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

	2025	2024
	MOP'000	MOP'000
Property, plant and equipment (<i>Note</i>)	–	9,128
Pledged bank deposits	<u>24,301</u>	<u>27,245</u>
	<u>24,301</u>	<u>36,373</u>

Note: During the year ended 31 December 2025, the Group has early repaid the mortgage loan and was in the process of releasing the related pledged property, plant and equipment with a carrying amount of approximately MOP8,761,000 as at 31 December 2025.

As at 31 December 2025, banking facilities amounting to approximately MOP31,055,000 (2024: MOP36,050,000) are secured by personal guarantees provided by the Company's directors, Mr. Kong Kin I and Ms. Choi Fong Lan.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

During the year ended 31 December 2025, 19 building and ancillary services projects with an aggregate contract sum of MOP220.5 million were awarded. In addition, the Group's joint ventures were awarded 2 building and ancillary services projects with an aggregate contract sum of HKD2,659.0 million. For details, please refer to the Company's announcement dated 22 December 2025. The Group had completed 25 building and ancillary services projects during the year ended 31 December 2025. As at 31 December 2025, the Group's backlog consisted of 15 building and ancillary services projects, which exclude those completed but not certified and those awarded by the Group's joint ventures with an aggregate outstanding contract sum of MOP499.9 million.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue by business segment during the years ended 31 December 2025 and 2024:

	Year ended 31 December			
	2025		2024	
	<i>MOP'000</i>	<i>%</i>	<i>MOP'000</i>	<i>%</i>
Building and ancillary services	<u>637,124</u>	<u>100.0</u>	<u>675,230</u>	<u>100.0</u>

During the year ended 31 December 2025, the Group's total revenue decreased by approximately MOP38.1 million or 5.6% as compared to the year ended 31 December 2024. The decrease was attributable to the decrease in the number of construction works performed by the Group during the year ended 31 December 2025.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately MOP3.2 million or 45.7% to approximately MOP10.2 million for the year ended 31 December 2025 from approximately MOP7.0 million for the year ended 31 December 2024. The Group's gross profit margin slightly increased to approximately 1.6% for the year ended 31 December 2025 from approximately 1.0% for the year ended 31 December 2024.

The increase in gross profit for the Group during the year ended 31 December 2025 was mainly attributable to a result of a higher gross profit margin on construction projects, even though depreciation of property, plant and equipment increased. Meanwhile, the Group maintained tighter control over other construction-related costs.

Other Income and Other Gains/(Losses)

The Group's other income and other gains/losses recorded a gain of approximately MOP4.4 million for the year ended 31 December 2025 compared to approximately MOP4.8 million for the year ended 31 December 2024. Such decrease was mainly attributable to the decrease in income from rental of equipment during the year ended 31 December 2025.

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

The Group's provision for impairment losses of financial assets under expected credit loss ("ECL") model were approximately MOP0.1 million for the year ended 31 December 2025 and reversal of impairment losses of financial assets under ECL were approximately MOP1.1 million for the year ended 31 December 2024. The Group applied simplified approach to measuring ECL which used a lifetime ECL for all trade receivables and contract assets. Trade receivables and contract assets have been grouped based on shared credit risk characteristics. The impairment losses under ECL on the contract assets which remained unsettled for more than a year were approximately MOP5.5 million for the year ended 31 December 2025 (2024: approximately MOP5.8 million).

Administrative Expenses

The Group's administrative expenses decreased by approximately MOP0.4 million or 1.3% from approximately MOP31.0 million for the year ended 31 December 2024 to approximately MOP30.6 million for the year ended 31 December 2025. Such decrease was mainly attributable to the decrease in professional fees and stamp duties.

Finance Costs

The Group's finance costs increased by approximately MOP0.4 million or 10.0% from approximately MOP4.0 million for the year ended 31 December 2024 to approximately MOP4.4 million for the year ended 31 December 2025. Such increase was mainly attributable to the increase in interest expenses on bank borrowings.

Income Tax Credit

The Group has income tax credit of approximately MOP0.7 million for the year ended 31 December 2025 compared to income tax credit of approximately MOP4.3 million for the year ended 31 December 2024.

Loss and Total Comprehensive Loss for the Year

The Group's total comprehensive loss was approximately MOP19.8 million for the year ended 31 December 2025 compared to total comprehensive loss for the year of approximately MOP17.7 million for the year ended 31 December 2024. It was mainly attributable to the combined effect of the aforementioned items.

Basic Loss per Share

The Company's basic loss per share for the year ended 31 December 2025 was approximately MOP1.80 cents (2024: approximately MOP1.61 cents).

Final Dividend

The Board does not recommend the payment of final dividend for the year ended 31 December 2025 (2024: Nil).

Property, Plant and Equipment

The Group's property, plant and equipment was approximately MOP120.0 million as at 31 December 2025 compared to approximately MOP115.0 million as at 31 December 2024. To support ongoing project execution and enhance operational efficiency, the Group acquired property, plant and equipment of approximately MOP42.3 million during the year ended 31 December 2025 (2024: approximately MOP52.1 million). The capital expenditures were financed by the proceeds from internal resources and general bank borrowings of the Group.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources and Capital Structure

As at 31 December 2025, the Group had cash and cash equivalents of approximately MOP19.1 million (2024: approximately MOP28.7 million).

As at 31 December 2025, the Group had an aggregate of pledged and fixed bank deposits of approximately MOP27.6 million (2024: approximately MOP27.2 million) that are used to secure banking facilities.

As at 31 December 2025, bank borrowings amounted to approximately MOP103.7 million (2024: approximately MOP106.4 million). The bank borrowings amounts containing on demand clause of approximately MOP61.2 million, MOP0.8 million, and MOP0.6 million (2024: approximately MOP58.5 million, nil and nil) will mature within one year, one year to two years and two years to five years respectively. The breach of loan covenants in bank borrowing amounts were approximately MOP41.1 million (2024: approximately MOP47.9 million).

Current ratio remained 1.1 times as at 31 December 2025 compared to 1.1 times as at 31 December 2024.

Gearing ratio is calculated based on debts divided by the total equity as at the respective reporting dates. Gearing ratio increased from 66.2% as at 31 December 2024 to 73.5% as at 31 December 2025. It was mainly due to the greater decrease in total equity than in debts during the year ended 31 December 2025.

There has been no change in the capital structure of the Group during the year ended 31 December 2025. The capital of the Group only comprises ordinary shares. As at 31 December 2025, the share capital and equity attributable to the owners of the Company amounted to approximately MOP11.3 million and approximately MOP141.0 million, respectively (2024: approximately MOP11.3 million and approximately MOP160.8 million, respectively).

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

Save as disclosed in this announcement, during the year ended 31 December 2025, the Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures. There is no other plan for material investments or capital assets as at 31 December 2025.

Capital Commitments

As at 31 December 2025, the Group had no capital commitments for purchases of property, plant and equipment (2024: approximately MOP6.4 million).

Contingent Liabilities

As at 31 December 2025, performance guarantees of approximately MOP70.5 million (2024: approximately MOP92.1 million) were given by the banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. The Group has contingent liabilities to indemnify the banks for any claims from customers under the guarantees due to the failure of the Group's performance. The performance guarantees will be released upon completion of the contract works. At the end of the reporting period, the management of the Group does not consider it probable that a claim will be made against the Group.

Foreign Exchange Exposure

The Group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies, namely Hong Kong dollar (“**HK\$**”) and Macau Pataca (“**MOP**”). The Group is exposed to foreign exchange risk arising from commercial transactions and recognised assets and liabilities denominated in a currency other than the Group entities’ functional currency.

Management closely monitors foreign currency exchange exposure and will take measures to minimise the currency translation risk. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposure. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure as management considers its exposure is not significant.

As the exchange rate of HK\$/MOP is relatively stable, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the HK\$/MOP exchange rates. As a result, management of the Group considers that the sensitivity of the Group’s exposure towards the change in foreign exchange rates between HK\$/MOP is minimal.

Interest Rate Risk

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

Credit Risk

The Group’s credit risk is primarily attributable to trade receivables, contract assets, deposits, other receivables, amounts due from joint operations, pledged and fixed bank deposits and cash and cash equivalents as at 31 December 2025 and 2024.

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

The Group has concentration of credit risks as 25.5% (2024: 35.6%) and 73.6% (2024: 77.1%) of the total trade receivables was due from the Group’s largest debtor and the five largest debtors respectively within the building and ancillary services segment. In order to minimise the risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

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

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

EMPLOYEES

The Group had 203 full-time employees as at 31 December 2025 (2024: 295).

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

The Group's gross staff costs from operations (including the Director's emoluments) were approximately MOP121.5 million for the year ended 31 December 2025 (2024: approximately MOP151.9 million).

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

PROSPECTS AND STRATEGIES

The Group continues to adopt a balanced and disciplined perspective on the regional construction sector, carefully assessing both selective opportunities and persistent challenges in its strategic planning.

In Macau, the ongoing recovery in tourism and gaming continues to provide a degree of economic stability, while government-supported development in non-gaming areas creates targeted potential for construction demand. At the same time, overall activity is expected to moderate compared with prior years, influenced by normalisation after earlier elevated levels, selective constraints on certain building approvals, broader market adjustments and the impacts of tariffs on material costs. In Hong Kong, the longer-term public-sector infrastructure pipeline remains a key source of underlying support, although near-term conditions continue to be shaped by inflationary pressures, rising raw material costs driven by global geopolitical tension, labour market dynamics, and a highly competitive tendering environment. The Group will maintain a selective and disciplined approach, leveraging its specialised expertise in foundation and piling works together with established client relationships to pursue appropriate projects in both markets.

Resilience and prudent execution remain central to the Group's operations. The Group continues to place strong emphasis on stringent cost management, efficient procurement, proactive control of material and labour cost volatility, and consistent delivery of high-quality, on-time, and on-budget projects. These priorities aim to safeguard profitability and financial stability in an environment of moderate demand visibility and ongoing input-price pressures. Regular monitoring of economic indicators, policy developments, and sector trends will support timely and adaptive decision-making as conditions evolve.

The Group remains focused on navigating the current landscape with realism and discipline. While targeted opportunities persist, the broader construction sector continues to face structural and cyclical headwinds that require careful management. Through sustained focus on cost discipline, quality assurance, safety standards, and strategic project selectivity, the Group is positioned to protect stakeholder interests, preserve operational resilience, and deliver sustainable performance as a trusted contractor in the region.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2025 (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") is scheduled to be held on Monday, 8 June 2026. In order to establish entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 3 June 2026 to Monday, 8 June 2026, both days inclusive, during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 2 June 2026. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the AGM is therefore Monday, 8 June 2026.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed, the Board is not aware of any significant events requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2025 and up to the date of this announcement, the Company has complied with the code provisions set out in the section headed “Part 1 – mandatory disclosure requirements” and the applicable code provisions set out in the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) except for the deviation from provision C.2.1 of the CG Code.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Company by the Directors. Upon specific enquiries of all Directors, all of them confirmed that they have fully complied with the required standards set out in the Model Code and there was no event of non-compliance throughout the year ended 31 December 2025 and up to the date of this announcement.

CONSTITUTIONAL DOCUMENT

There was no change to the Company’s constitutional documents during the year ended 31 December 2025 and up to the date of this annual announcement. The Articles of Association is available on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE

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

The Audit Committee has reviewed with the management of the Company the accounting principles and policies adopted by the Group, and the financial information of the Group and the annual results of the Company for the year ended 31 December 2025.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Linksfeld CPA Limited ("**Linksfeld**"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Linksfeld in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Linksfeld on the preliminary announcement.

EXTRACTED FROM INDEPENDENT AUDITOR'S REPORT PREPARED BY THE INDEPENDENT AUDITOR

The following is an extract of the independent auditor's report for the year ended 31 December 2025 from the external auditor of the Company:

Our Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

As set out in Note 2.1 to the consolidated financial statements, the Group reported a net loss of approximately MOP19,777,000 for the year ended 31 December 2025 and, as of that date, the Group breached a financial covenant associated with a bank borrowing amounted to approximately MOP6,180,000. It triggered cross-defaults of other bank borrowings of approximately MOP34,841,000, while its cash and cash equivalents amounted to approximately MOP19,099,000 only. These conditions, along with other matters as set forth in Note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.kinpang.com.mo and the Stock Exchange's website at www.hkexnews.hk. The 2025 Annual Report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

APPRECIATION

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

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

Hong Kong, 27 March 2026

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