**KPa-BM Holdings Limited**
**應力控股有限公司***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2663)**

# ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

**FINANCIAL HIGHLIGHTS**

| | Year ended 31 March | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$ million*** | *HK$ million* |
| Revenue | **392.2** | 667.7 |
| Gross profit | **68.9** | 107.1 |
| Gross profit margin | **17.6%** | 16.0% |
| Profit for the year | **12.8** | 36.2 |
| Net profit margin | **3.3%** | 5.4% |
| Dividends | | |
| Final | **Nil** | HK3.0 cents per share |

| | As at 31 March | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$ million*** | *HK$ million* |
| Total assets | **385.7** | 437.8 |
| Total equity | **259.1** | 261.4 |
| Gearing ratio | **8.1%** | 5.0% |

The board (the "Board") of directors (the "Directors") of KPa-BM Holdings Limited (the "Company") is pleased to announce the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2026, together with the comparative figures for the year ended 31 March 2025, as follows:

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | Year ended 31 March | |
|---|---|---|---|
| | | **2026** | 2025 |
| | *Notes* | ***HK$'000*** | *HK$'000* |
| Revenue | *5* | **392,239** | 667,711 |
| Cost of revenue | | **(323,362)** | (560,616) |
| Gross profit | | **68,877** | 107,095 |
| Other income | *6* | **7,330** | 10,550 |
| Fair value loss on investment property | | **(543)** | (343) |
| Provision of loss allowance on trade receivables | | **(3,389)** | (15,603) |
| Provision of loss allowance on retention receivables | | **(35)** | (1,939) |
| (Provision)/reversal of loss allowance on contract assets | | **(3)** | 1,082 |
| Marketing and distribution expenses | | **(5,377)** | (2,796) |
| Administrative and other operating expenses | | **(49,354)** | (54,281) |
| Finance costs | | **(1,091)** | (2,501) |
| Profit before income tax | *7* | **16,415** | 41,264 |
| Income tax expense | *8* | **(3,652)** | (5,107) |
| Profit for the year | | **12,763** | 36,157 |
| **Other comprehensive income/(loss) for the year** | | | |
| *Item that may be reclassified subsequently to profit or loss* | | | |
| Exchange differences arising from translation of foreign operations | | **1,660** | (282) |
| **Other comprehensive income/(loss) for the year** | | **1,660** | (282) |
| **Total comprehensive income for the year** | | **14,423** | 35,875 |
| | | ***HK cents*** | *HK cents* |
| **Earnings per share** | | | |
| Basic and diluted earnings per share | *10* | **2.29** | 6.49 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | As at 31 March | |
|---|---|---|---|
| | | **2026** | 2025 |
| | *Notes* | ***HK$'000*** | *HK$'000* |
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **28,595** | 16,816 |
| Investment property | | **3,185** | 3,525 |
| Goodwill | | **601** | 601 |
| Deposits | *11* | **161** | 155 |
| Deferred tax assets | | **2,071** | 3,384 |
| | | **34,613** | 24,481 |
| **Current assets** | | | |
| Inventories | | **16,733** | 19,409 |
| Contract assets | | **64,691** | 70,970 |
| Trade and other receivables, deposits and prepayments | *11* | **156,390** | 200,811 |
| Tax recoverable | | **1,054** | 2,180 |
| Cash and bank balances | | **112,235** | 119,966 |
| | | **351,103** | 413,336 |
| **Current liabilities** | | | |
| Contract liabilities | | **38,050** | 42,437 |
| Trade and other payables | *12* | **66,140** | 119,503 |
| Lease liabilities | *13* | **9,245** | 6,514 |
| Tax payable | | **1,409** | 1,483 |
| | | **114,844** | 169,937 |
| **Net current assets** | | **236,259** | 243,399 |
| **Total assets less current liabilities** | | **270,872** | 267,880 |

| | | As at 31 March | |
| --- | --- | --- | --- |
| | | **2026** | 2025 |
| | *Notes* | ***HK$'000*** | *HK$'000* |
| **Non-current liabilities** | | | |
| Lease liabilities | *13* | **11,743** | 6,466 |
| Deferred tax liabilities | | **16** | 16 |
| | | **11,759** | 6,482 |
| **Net assets** | | **259,113** | 261,398 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | *14* | **5,569** | 5,569 |
| Reserves | | **253,544** | 255,829 |
| **Total equity** | | **259,113** | 261,398 |

## NOTES

### 1. GENERAL INFORMATION

KPa-BM Holdings Limited (the "Company") was incorporated as an exempted company in the Cayman Islands with limited liability on 15 May 2015. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 27/F, The Octagon, 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Group, comprising the Company and its subsidiaries, is principally engaged in (i) provision of structural engineering works; (ii) supply and installation of building material products; and (iii) trading of building material products.

The Company's parent is Success Wing Investments Limited ("Success Wing"), a company incorporated in the British Virgin Islands ("BVI"). In the opinion of the directors, Success Wing is also the ultimate parent of the Company.

The consolidated financial statements for the year ended 31 March 2026 were approved and authorised for issue by the directors on 26 June 2026.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKASs") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements have been prepared under the historical cost basis except for investment property, which are measured at fair value. The measurement basis are fully described in the accounting policies.

Amounts are rounded to the nearest thousands, unless otherwise stated.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is same as the functional currency of the Company and its major subsidiaries.

## 3. ADOPTION OF NEW OR REVISED HKFRS ACCOUNTING STANDARDS

### (a) Adoption of amendments to HKFRS Accounting Standards – effective on 1 April 2025

The HKICPA has issued amendments to HKFRS Accounting Standards that are relevant to and effective for the current accounting period of the Group:

| | |
|---|---|
| Amendments to HKAS 21 | Lack of Exchangeability |

The adoption of the amendments to HKFRS Accounting Standards did not have any material impact on the Group's accounting policies or financial results and financial position for the current and prior period.

### (b) Amendment to HKFRS Accounting Standards that have been issued but are not yet effective

The following amendment to HKFRS Accounting Standards, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments[1] |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature – dependent Electricity[1] |
| Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 | Annual Improvements to HKFRS Accounting Standards – Volume 11[2] |
| HKFRS 18 | Presentation and Disclosure in Financial Statements[2] |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures[2] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3] |

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

The directors of the Company anticipate that all relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the possible effect of these new or revised standards on the Group's results and financial position in the first year of application. The new or revised HKFRSs Accounting Standards that have been issued but are not yet effective are unlikely to have material impact on the Group's results and financial position upon application except for the following:

*HKFRS 18, Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

## 4. SEGMENT INFORMATION

### (a) Operating segment information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker, i.e. executive directors of the Company who make strategic decisions. The following summary describes the operations in each of the Group's reporting segments:

| | | |
|---|---|---|
| Structural Engineering Works | – | This segment mainly engages in provision of structural engineering works for the public and private sectors in Hong Kong and the Group mainly acts as a subcontractor. |
| Supply, installation and trading of Building Material Products | – | This segment mainly engages in supply of building material products with installation services provided, and trading of building material products in Hong Kong |

Revenue and costs/expenses are allocated to the operating segments with reference to revenue generated by those segments and the costs/expenses incurred by those segments. Corporate income and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit or loss that is used by the chief operating decision-marker for assessment of segment performance.

Segment assets include all assets with the exception of tax assets and corporate assets, including cash and bank balances, investment property and other assets that are not directly attributable to the business activities of the operating segments as these assets are managed on a group basis.

Information of the operating segments of the Group reported to the chief operating decision-maker for the purposes of resources allocation and performance assessment does not include liabilities. Accordingly, no information of segment liabilities is presented.

*Segment results, segment assets and other segment information*

Information regarding the Group's reportable segments including the reportable segment revenue, segment profit, segment assets, reconciliations to revenue, profit before income tax and total assets and other segment information are as follows:

| | Structural Engineering Works *HK$'000* | Supply, Installation and Trading of Building Material Products *HK$'000* | Total *HK$'000* |
|---|---|---|---|
| **Year ended 31 March 2026** | | | |
| **Segment revenue** | | | |
| Sales to external customers | **356,613** | **35,626** | **392,239** |
| Intersegment sales | **–** | **319** | **319** |
| | **356,613** | **35,945** | **392,558** |
| Elimination of intersegment sales | | | **(319)** |
| | | | **392,239** |
| **Segment profit** | **40,721** | **14,652** | **55,373** |
| Corporate and unallocated income | | | **6,520** |
| Fair value loss on investment property | | | **(543)** |
| Corporate and unallocated expenses | | | |
| – Marketing and distribution expenses | | | **(184)** |
| – Administrative and other operating expenses* | | | **(43,660)** |
| – Finance costs | | | **(1,091)** |
| Profit before income tax | | | **16,415** |

| | Structural Engineering Works | Supply, Installation and Trading of Building Material Products | Total |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| **Year ended 31 March 2025** | | | |
| **Segment revenue** | | | |
| Sales to external customers | 596,969 | 70,742 | 667,711 |
| Intersegment sales | – | 2,544 | 2,544 |
| | 596,969 | 73,286 | 670,255 |
| Elimination of intersegment sales | | | (2,544) |
| | | | 667,711 |
| **Segment profit** | 60,835 | 21,677 | 82,512 |
| Corporate and unallocated income | | | 10,550 |
| Fair value loss on investment property | | | (343) |
| Corporate and unallocated expenses | | | |
| – Marketing and distribution expenses | | | (182) |
| – Administrative and other operating expenses* | | | (48,772) |
| – Finance costs | | | (2,501) |
| Profit before income tax | | | 41,264 |

* Administrative and other operating expenses mainly comprise employee costs, depreciation of right-of-use assets and property, plant and equipment and legal and professional fees.

| | **Structural Engineering Works** | **Supply, Installation and Trading of Building Material Products** | **Total** |
|---|---|---|---|
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** |
| **As at 31 March 2026** | | | |
| **Segment assets** | **258,177** | **8,694** | **266,871** |
| Property, plant and equipment | | | **75** |
| Investment property | | | **3,185** |
| Tax assets | | | **3,125** |
| Cash and bank balances | | | **112,235** |
| Other corporate assets | | | **225** |
| Total consolidated assets | | | **385,716** |

| | Structural Engineering Works | Supply, Installation and Trading of Building Material Products | Total |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| **As at 31 March 2025** | | | |
| **Segment assets** | 298,372 | 9,995 | 308,367 |
| Property, plant and equipment | | | 165 |
| Investment property | | | 3,525 |
| Tax assets | | | 5,564 |
| Cash and bank balances | | | 119,966 |
| Other corporate assets | | | 230 |
| Total consolidated assets | | | 437,817 |

| | Structural Engineering Works HK$'000 | Supply, Installation and Trading of Building Material Products HK$'000 | Corporate/ Unallocated HK$'000 | Total HK$'000 |
|---|---|---|---|---|
| **Year ended 31 March 2026** | | | | |
| **Other information** | | | | |
| Interest income | **–** | **–** | **(1,775)** | **(1,775)** |
| Interest expense | **–** | **–** | **1,091** | **1,091** |
| Depreciation | **8,674** | **160** | **90** | **8,924** |
| Provision of allowance for inventories | **–** | **45** | **–** | **45** |
| Provision of loss allowance on trade receivables | **3,378** | **11** | **–** | **3,389** |
| Provision of loss allowance on retention receivables | **34** | **1** | **–** | **35** |
| Provision/(reversal) of loss allowance on contract assets | **6** | **(3)** | **–** | **3** |
| Additions to specified non-current assets# | **20,317** | **–** | **–** | **20,317** |
| **Year ended 31 March 2025** | | | | |
| **Other information** | | | | |
| Interest income | – | – | (4,597) | (4,597) |
| Interest expense | – | – | 2,501 | 2,501 |
| Depreciation | 8,398 | 68 | 271 | 8,737 |
| Provision of allowance for inventories | – | 244 | – | 244 |
| Provision of loss allowance on trade receivables | 15,147 | 456 | – | 15,603 |
| Provision/(reversal) of loss allowance on retention receivables | 1,941 | (2) | – | 1,939 |
| Reversal of loss allowance on contract assets | (1,069) | (13) | – | (1,082) |
| Additions to specified non-current assets# | 10,171 | 746 | – | 10,917 |

# Specific non-current assets represent non-current assets other than deferred tax assets and deposits.

**(b) Geographical segment information**

The Company is an investment holding company and the principal place of the Group's operations are in Hong Kong. For the years ended 31 March 2026 and 2025, the Group's revenue was derived from the activities in Hong Kong (place by domicile).

An analysis of the Group's specified non-current assets, excluding deferred tax assets, and deposits, by geographical locations, determined based on physical location of the assets is as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Hong Kong | **14,182** | 11,118 |
| The PRC | **18,199** | 9,824 |
| | **32,381** | 20,942 |

**(c) Information about major customers**

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Customer A | **58,119** | 251,267 |
| Customer B *(note)* | **41,907** | N/A |

Revenue from both Customer A and Customer B for the years ended 31 March 2026 and 2025 were generated for the Structural Engineering Works.

*Note:* Revenue from Customer B are less than 10% during the year ended 31 March 2025.

## 5. REVENUE

The Group is principally engaged in (i) provision of structural engineering works; (ii) supply and installation of building material products; and (iii) trading of building material products. Revenue derived from these principal activities comprises the following:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Revenue from contracts with customers** | | |
| Revenue recognised over time: | | |
| – Structural engineering works | **356,613** | 596,969 |
| – Supply and installation of building material products | **17,349** | 33,476 |
| Revenue recognised at a point in time: | | |
| – Trading of building material products | **18,277** | 37,266 |
| | **392,239** | 667,711 |

Revenue expected to be recognised in the future arising from the provision of structural engineering works and supply and installation of building material products, which represents the aggregate amount of the consideration the Group is entitled allocated to the remaining performance obligations under the Group's contracts of construction works existed at the end of the reporting period, is summarised as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Amounts expected to be recognised as revenue | | |
| – Within one year | **428,755** | 230,477 |
| – After one year | **259,637** | 138,211 |
| Total | **688,392** | 368,688 |

The Group will recognise the expected revenue arising from its existing contracts of construction work in future as the project work is progressed, which is expected to occur over the next 1 to 36 months (2025: 1 to 22 months).

The Group has applied the practical expedient to its sales contracts for trading of building material products and therefore the above information does not include revenue that the Group will be entitled to when it satisfies the remaining performance obligation under the contracts for trading of building material products that had an original expected duration of one year or less.

6. **OTHER INCOME**

| | 2026 | 2025 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Bank interest income | **1,775** | 4,597 |
| Rental income | **136** | 198 |
| Government grants | **3** | 18 |
| Gain on disposal of property, plant and equipment | **–** | 512 |
| Gain on exchange difference | **4,416** | 3,896 |
| Write-back of trade and retention payables | **810** | 1,086 |
| Others | **190** | 243 |
| | **7,330** | 10,550 |

7. **PROFIT BEFORE INCOME TAX**

Profit before income tax is arrived at after charging/(crediting) the following:

| | 2026 | 2025 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Auditor's remuneration | **660** | 660 |
| Cost of inventories recognised as expense | | |
| – Carrying amount of inventories consumed | **111,899** | 159,881 |
| – Provision of allowance for inventories | **45** | 244 |
| | **111,944** | 160,125 |
| Depreciation charge: | | |
| Right-of-use assets included in property, plant and equipment under the following categories: | | |
| – Other properties leased for own use | **6,705** | 6,969 |
| – Motor vehicles | **282** | 47 |
| Other property, plant and equipment | **1,937** | 1,721 |
| | **8,924** | 8,737 |
| Employee costs (including directors' emoluments) | | |
| – Salaries, allowances and other benefits | **72,210** | 78,012 |
| – Contributions to defined contribution retirement plans | **4,243** | 5,220 |
| | **76,453** | 83,232 |
| Exchange gain, net | **(4,416)** | (3,896) |
| Short-term leases expenses | **728** | 1,694 |

## 8. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current tax for the year | | |
| – Hong Kong Profits Tax | **2,129** | 6,086 |
| – Other regions of the PRC | | |
| – Enterprise Income Tax ("**EIT**") | **–** | 1,970 |
| Under-provision in respect of prior years | **197** | 31 |
| | **2,326** | 8,087 |
| Deferred tax | **1,326** | (2,980) |
| | **3,652** | 5,107 |

Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) on the estimated assessable profits for the year.

The Group is subject to Hong Kong Profits Tax under the two-tiered profits tax rates regime. For the years ended 31 March 2026 and 2025, the first HK$2 million of profits of a qualifying entity will be taxed at 8.25% whereas profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered tax rates regime will continue to be taxed at a flat rate of 16.5% on their estimated assessable profits.

For the years ended 31 March 2026 and 2025, the Group's PRC subsidiaries were eligible to be classified as small low-profit enterprise by the local bureau and the corresponding assessable profits are taxed at progressive rate. The first Renminbi ("RMB") 1,000,000 assessable profit is taxed at 5% (2025: 5%) and assessable profit above RMB1,000,000 but less than RMB3,000,000 is taxed at 5% (2025: 5%). EIT arising from other regions of the PRC is calculated at 25% on the estimated assessable profits.

## 9. DIVIDENDS

### (a) Dividends payable to owners of the Company attributable to the year

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Special interim dividend declared and paid of nil cents per ordinary share (2025: HK4.0 cents) | **–** | 22,277 |
| Final dividend proposed after the end of the reporting period of nil cents per ordinary share (2025: HK3.0 cents) | **–** | 16,708 |
| | **–** | 38,985 |

*Note:*

Those dividends declared subsequent to 31 March 2025 have not been recognised as a liability as at 31 March 2025 respectively.

### (b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Final and special dividends in respect of previous financial year, approved and paid during the year of HK3.0 cents (2025: HK8.0 cents) per ordinary share | **16,708** | 44,554 |

## 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Earnings** | | |
| Profit for the year attributable to owners of the Company | **12,763** | 36,157 |

| | **2026** | 2025 |
|---|---|---|
| | ***'000*** | *'000* |
| **Weighted average number of ordinary shares in issue** | | |
| Weighted average number of ordinary shares in issue during the year | **556,930** | 556,930 |

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the year or in prior year.

## 11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **137,219** | 152,287 |
| Less: loss allowance | **(36,275)** | (26,038) |
| Trade receivables, net (note (a)) | **100,944** | 126,249 |
| Retention receivables | **41,606** | 49,269 |
| Less: loss allowance | **(341)** | (7,154) |
| Retention receivables, net (note (b)) | **41,265** | 42,115 |
| Other receivables | **1,352** | 22,859 |
| Deposits | **4,041** | 2,399 |
| Prepayments | **8,949** | 7,344 |
| | **156,551** | 200,966 |
| Less: non-current portion – deposits | **(161)** | (155) |
| Current portion | **156,390** | 200,811 |

***Notes:***

(a) Trade receivables

The Group normally allows a credit period of 30 and 60 days to its customers for provision of construction works and trading of building material products respectively.

The ageing analysis of the trade receivables (net of loss allowance), based on invoice date, as at the end of the reporting period is as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 – 30 days | **58,597** | 104,358 |
| 31 – 60 days | **1,348** | 8,175 |
| 61 – 90 days | **3,625** | 996 |
| Over 90 days | **37,374** | 12,720 |
| | **100,944** | 126,249 |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| At the beginning of the reporting period | **26,038** | 10,435 |
| Transfer from retention receivables | **6,848** | – |
| Provision of loss allowance | **3,389** | 15,603 |
| At the end of the reporting period | **36,275** | 26,038 |

(b) Retention receivables

The Group generally provides retention period of 1 to 2 years and normally retention monies represent 5% to 10% of the contract sum. Retention receivables are part of the consideration arising from structural engineering contracts and sizable supply and installation of building material products contracts that are retained by the customers and are payable to the Group upon completion of the retention period of the relevant contract or in accordance with the terms specified in the relevant contract. Retention monies are intended to protect the customers from the Group failing to complete its obligations under the contracts rather than to provide financing to the customers. Retention receivables are in nature as contract assets.

The terms and conditions in relation to the release of retention monies vary from contract to contract, which may be subject to practical completion of contracts, expiry of defect liability period and rectification of defects to the satisfaction of customers (i.e. at the expiry of the defect liability period that is at a point at which the Group has unconditional right to invoice to the customers). Upon release of retention monies by the customers, retention receivables will be reclassified to "Trade receivables". For other small-scale supply and installation of building material products contracts, the Group normally issues bill to the customers for payment along when the services are rendered.

The movements in the loss allowance for impairment on retention receivables are as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| At the beginning of the reporting period | **7,154** | 5,215 |
| Transfer to trade receivables | **(6,848)** | – |
| Provision of loss allowance | **35** | 1,939 |
| At the end of the reporting period | **341** | 7,154 |

The retention receivables as of the end of the reporting period are to be settled, based on the terms and conditions in relation to the release of the retention monies by customers and taking into account the status of rectification works, as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| On demand or within one year | **20,750** | 2,927 |
| After one year | **20,515** | 39,188 |
| | **41,265** | 42,115 |

## 12. TRADE AND OTHER PAYABLES

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade payables (note (a)) | **34,353** | 70,506 |
| Bills payable | **–** | 617 |
| Retention payables (note (b)) | **19,161** | 33,767 |
| Accrued staff costs | **9,647** | 12,809 |
| Other payables and accruals | **2,979** | 1,804 |
| | **66,140** | 119,503 |

*Notes:*

(a) For trade payables, the credit period granted by suppliers and contractors is normally 30 to 60 days.

The ageing analysis of trade payables, based on invoice date, as at the end of the reporting period is as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 – 30 days | **13,503** | 35,326 |
| 31 – 60 days | **8,464** | 25,760 |
| 61 – 90 days | **1,407** | 4,375 |
| Over 90 days | **10,979** | 5,045 |
| | **34,353** | 70,506 |

(b) Based on the terms and conditions agreed in relation to the release of retention monies to subcontractors and taking into account the status of rectification work, the retention payables as at the end of the reporting period are to be settled as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| On demand or within one year | **13,050** | 9,363 |
| After one year | **6,111** | 24,404 |
| | **19,161** | 33,767 |

## 13. LEASES

### (a) The Group as lessee

The Group leases office premises, factories, warehouse, quarters and motor vehicles for use in its operation. The periodic rent is fixed over the lease term, and the leases are negotiated for an initial period of two to four years (2025: two to four years).

The movements of the right-of-use assets are disclosed in note 14. The movements of the lease liabilities are as follows:

| | **Properties leased for own use** | **Motor vehicles (note)** | **Total** |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| **At 1 April 2024** | 9,482 | – | 9,482 |
| Additions | 9,196 | 708 | 9,904 |
| Finance costs | 566 | 14 | 580 |
| Lease payments | (6,596) | (313) | (6,909) |
| Exchange adjustment | (77) | – | (77) |
| **Balance at 31 March 2025 and 1 April 2025** | 12,571 | 409 | 12,980 |
| Additions | 12,912 | 1,410 | 14,322 |
| Finance costs | 442 | 37 | 479 |
| Lease payments | (7,329) | (323) | (7,652) |
| Exchange adjustment | 859 | – | 859 |
| **Balance at 31 March 2026** | 19,455 | 1,533 | 20,988 |

*Note:*

The Group's obligations under the lease of the motor vehicles were secured by the motor vehicles as at 31 March 2026 and 2025.

Future lease payments are due as follows:

| | Minimum lease payments | Interest | Present value of minimum lease payments |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| **As at 31 March 2026** | | | |
| Not later than one year | **9,891** | **(646)** | **9,245** |
| Later than one year but no later than two years | **7,644** | **(288)** | **7,356** |
| Later than two years but no later than five years | **4,472** | **(85)** | **4,387** |
| | **22,007** | **(1,019)** | **20,988** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| **As at 31 March 2025** | | | |
| Not later than one year | **6,945** | **(431)** | **6,514** |
| Later than one year but no later than two years | **4,262** | **(197)** | **4,065** |
| Later than two years but no later than five years | **2,434** | **(33)** | **2,401** |
| | **13,641** | **(661)** | **12,980** |

The present value of future lease payments are analysed as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current liabilities | **9,245** | 6,514 |
| Non-current liabilities | **11,743** | 6,466 |
| | **20,988** | 12,980 |

## 14. SHARE CAPITAL

| Ordinary shares | Par value | Number of shares | Amount |
|---|---|---|---|
| | *HK$* | | *HK$'000* |
| **Authorised:** | | | |
| At 1 April 2024, 31 March 2025 and 31 March 2026 | **0.01** | **2,000,000,000** | **20,000** |
| **Issued and fully paid:** | | | |
| At 1 April 2024, 31 March 2025 and 31 March 2026 | **0.01** | **556,930,000** | **5,569** |

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the annual results of the Group for the year ended 31 March 2026 (the "Year" or "FY2026"), together with the comparative figures for the corresponding year ended 31 March 2025 (the "Previous Year" or "FY2025").

## BUSINESS ACTIVITIES

The Group is principally engaged in (i) provision of structural engineering works with a focus on design and build projects in Hong Kong; and (ii) supply of building material products together with installation services provided and trading of building material products in Hong Kong. There has been no significant change in the business operations of the Group. During the Year, the Group recognised revenue from rendering structural engineering works and supply and installation of building material products as well as trading of building material products.

## BUSINESS REVIEW

During the Year, the Group recorded a revenue of approximately HK$392.2 million, representing an decrease of approximately HK$275.5 million or 41.3% from the Previous Year. The significant drop in revenue attribute to the substantial completion of outstanding contracts as at Previous Year. Meanwhile, new projects secured near the Year-end were at their commencement stage and yielded minimal positive impact on revenue. The following table sets forth the major projects undertaken by the Group during the Year.

| **Major projects undertaken by the Group during the Year** | **Revenue recognised during the Year** *HK$ million* | **Status as at 31 March 2026** | **Expected completion date** |
|---|---|---|---|
| Tower Facade for Proposed Office Redevelopment for a Commercial Building in Central | 49.1 | Completed | N/A |
| Structural Steel and Roof Work in Lamma Island Unit 13 | 41.9 | Ongoing | Expected completion in Q4 2026 |
| Noise Barrier Project in Po Lam Road | 32.7 | Completed | N/A |
| Noise Barrier Project in Fanling North Development Area | 29.1 | Ongoing | Expected completion in Q4 2026 |
| Noise Barrier Project in Anderson Road | 24.9 | Ongoing | Expected completion in Q1 2027 |

## FUTURE PROSPECTS

While the macroeconomic environment remains demanding, the Group has built the resilience necessary to survive and navigate this challenging situation. Moving forward, we will sustain our momentum through two core pillars: Rigorous Cost Control and Diversifying Job References.

Building on the bidding strategies initiated last year, we have successfully translated our disciplined approach into tangible results by securing several key new projects during the Year. The Group's outstanding contracts on hand as at 31 March 2026 amounted to approximately HK$688 million, including the following projects with estimated outstanding contract sum of over HK$20 million each as at 31 March 2026:

| Projects with outstanding contract sum of over HK$20 million as at 31 March 2026 | Status as at 31 March 2026 | Expected completion date |
|---|---|---|
| Design, Supply and Installation of Structural Steel, Metal Works, Aluminium Works, Roof System and Façade Panel for a cargo hub at airport | Ongoing | Q4 2026 |
| Design, Supply and Installation of Louvres, Aluminium Works, Steel and Metalworks for certain Sewage facilities | Ongoing | Q4 2026 |
| Structural Steel and Roof Work in Lamma Island Unit 13 | Ongoing | Q4 2026 |
| Design, Supply, Fabrication, Coordination and Erection of Roofing and Façade at Hung Shui Kiu | Ongoing | Q1 2027 |
| Noise Barrier Project in Anderson Road | Ongoing | Q1 2027 |
| Noise Barrier Project in Kwu Tung North | Ongoing | Q1 2029 |

## FINANCIAL HIGHLIGHTS

| | Year ended 31 March | | Percentage change Increase/ (Decrease) |
|---|---|---|---|
| | **2026** | 2025 | |
| | ***HK$'000*** | *HK$'000* | |
| Revenue | **392,239** | 667,711 | (41.3%) |
| Cost of revenue | **323,362** | 560,616 | (42.3%) |
| Gross profit | **68,877** | 107,095 | (35.7%) |
| Profit before income tax | **16,415** | 41,264 | (60.2%) |
| Net profit | **12,763** | 36,157 | (64.7%) |
| Earnings per share *(HK cents)* | **2.29** | 6.49 | (64.7%) |

| | As at 31 March | | Percentage change Increase/ (Decrease) |
|---|---|---|---|
| | **2026** | 2025 | |
| | ***HK$'000*** | *HK$'000* | |
| Current assets | **351,103** | 413,336 | (15.1%) |
| Current liabilities | **114,844** | 169,937 | (32.4%) |
| Total assets | **385,716** | 437,817 | (11.9%) |
| Total equity | **259,113** | 261,398 | (0.9%) |

| | Year ended 31 March | |
|---|---|---|
| | **2026** | 2025 |
| Key Performance Indices | | |
| Gross profit margin | **17.6%** | 16.0% |
| Net profit margin | **3.3%** | 5.4% |
| Return on equity | **4.9%** | 13.8% |
| Return on total assets | **3.3%** | 8.3% |

| | As at 31 March | |
|---|---|---|
| | **2026** | 2025 |
| Current ratio *(times)* | **3.1** | 2.4 |
| Gearing ratio *(%)* | **8.1** | 5.0 |

## Financial Review

### *Revenue*

The Group recorded revenue of approximately HK$392.2 million for the Year, representing an decrease of approximately HK$275.5 million or 41.3% as compared to that of the Previous Year. The decline in revenue is due to the substantial completion of outstanding contracts as at Previous Year. Meanwhile, new projects secured near the Year-end were at their commencement stage and yielded minimal positive impact on revenue.

### *Cost of Revenue and Gross Profit*

The Group's cost of revenue mainly comprised material and processing charges and subcontracting charges. The Group's cost of revenue for the Year amounted to approximately HK$323.4 million, representing an decrease of approximately 42.3% as compared to approximately HK$560.6 million for the Previous Year which was decreased at a similar rate as the revenue.

The Group recorded gross profit of approximately HK$68.9 million for the Year, representing a decrease of approximately 35.7% as compared to that of approximately HK$107.1 million for the Previous Year, and the gross profit margin increased to approximately 17.6% for the Year as compared to 16.0% for the Previous Year. As our project and design staff has devoted more man hours during the Year in tendering, for which the relevant cost was classified as marketing and distribution expenses, rather than directly working on the projects, there is a decrease in cost of revenue, thus, the gross profit margin is higher for the Year.

### *Other Income*

The Group recorded other income of approximately HK$7.3 million for the Year, which mainly comprised bank interest income of approximately HK$1.8 million and a gain on exchange difference of approximately HK$4.4 million, whereas other income for the Previous Year mainly comprised bank interest income of approximately HK$4.6 million and a gain on exchange difference of approximately HK$3.9 million. The decrease in bank interest income is mainly attributable to less fixed deposit placed during the Year.

### *Administrative and Other Operating Expenses*

The Group's administrative and other operating expenses for the Year were approximately HK$49.4 million, representing an decrease of approximately HK$4.9 million from approximately HK$54.3 million for the Previous Year. Such decrease was mainly due to an decrease in Directors' discretionary bonus of approximately HK$8.0 million considering the decline in revenue and profit for the Year. However, the increase in (i) Directors' and staff salaries of approximately HK$1.0 million upon annual review and (ii) staff welfare expenses of HK$1.1 million relating to activities for building teamwork offset part of the reduction in administrative and other operating expenses.

### *Finance Costs*

For the Year, the Group's finance costs were approximately HK$1.1 million, representing a decrease of approximately HK$1.4 million or 56%, as compared to approximately HK$2.5 million for the Previous Year, which was mainly due to less bank borrowings were drawndown during the Year.

### *Income Tax Expense*

The Group incurred income tax expense of approximately HK$3.7 million and HK$5.1 million for the Year and the Previous Year, respectively, representing effective tax rate of approximately 22.2% and 12.4%, respectively. The higher effective tax rate for the Year was because the taxable loss incurred by the PRC subsidiary and provision of loss allowances on the receivables for the Year are not deductible.

### *Profit for the Year*

As a result of the decrease of gross profit outweighed the decrease in administrative and other operating expenses, the Group's profit for the Year decreased from approximately HK$36.2 million for the Previous Year to approximately HK$12.8 million for the Year, representing an decrease of approximately HK$23.4 million or 64.7%.

### *Dividend*

The Board did not recommend the declaration of a final dividend for the Year (FY2025: HK4.0 cents per share), having considered the Group's financial performance, cash flow requirements and future plans. The Board will continue to evaluate measure to enhance shareholders' return where appropriate.

## Liquidity, Financial Resources And Capital Structure

| | **As at 31 March** | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| Current assets | **351,103** | 413,336 |
| Current liabilities | **114,844** | 169,937 |
| Current ratio (times) | **3.1** | 2.4 |

The Group primarily funds its working capital requirements by cash flows generated from its operations and short term borrowings. During the Year, the Group generated net cash inflow from operating activities of approximately HK$20.0 million. Combined with access to committed banking facilities, the Group maintain sufficient liquidity to support day-to-day operations throughout the Year.

During the Year, the Group financed its operations by its internal resources and banking facilities. As at 31 March 2026, the Group had net current assets of approximately HK$236.3 million (31 March 2025: HK$243.4 million). The Group's current ratio as at 31 March 2026 was approximately 3.1 times (31 March 2025: 2.4 times).

As at 31 March 2026, the Group had a total cash and bank balances of approximately HK$112.2 million (31 March 2025: HK$120.0 million), mainly denominated in HK$.

As at 31 March 2026, the Group had a total available banking facilities of approximately HK$167.0 million, of which HK$131.2 million was unutilised and available for use.

There has been no change in capital structure of the Company during the Year. As at 31 March 2026, the equity attributable to owners of the Company amounted to approximately HK$259.1 million (31 March 2025: HK$261.4 million).

***Gearing Ratio***

The gearing ratio is calculated as total debts to equity. Total debts represent lease liabilities of the Group. Equity represents the total equity of the Group.

The Group is able to generate net cash from operating activities of approximately HK$20.0 million for the Year. The gearing ratio of the Group as at 31 March 2026 was 8.1% (31 March 2025: approximately 5.0%). The increase in gearing ratio was because the Group has renewed certain tenancy agreements near the Year end which thereafter recognised as lease liabilities.

***Foreign Currency Exposure and Treasury Policy***

Operations of the Group are mainly conducted in HK$, United States dollars ("US$"), British Pound ("GBP"), Euro ("EUR") and Renminbi ("RMB"). It is the Group's treasury police to manage its foreign currency exposure whenever its financial impact is material to the Group and will closely monitor its foreign exchange position. During the Year, the Group did not engage in any hedging activities.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, 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 from time to time.

***Pledge of Assets***

As at 31 March 2026, the Group don't have any bank borrowings (31 March 2025: nil) and banking facilities are unsecured and guaranteed by the Company as at 31 March 2026 (31 March 2025: unsecured and guaranteed by the Company).

As at 31 March 2026, the Group did not have any pledged deposit (31 March 2025: nil).

***Significant Investments***

Other than the investment in its subsidiaries, the Group did not hold any significant investments during the Year.

***Material Acquisitions and Disposals***

The Group did not acquire nor dispose of any subsidiaries or fixed assets during the Year.

***Contingent Liabilities and Pending Litigations***

Lawsuits arising from the normal course of business was lodged against the Group which remain outstanding as at 31 March 2026. The Directors considered the legal opinion and current development of the cases, there was no material financial impact to the Group and no provision was made in this regard.

***Employees and Remuneration Policies***

As at 31 March 2026, the Group had 214 staff (31 March 2025: 219). The total employee benefit expenses for the Year (including Directors' emoluments, salaries to staff and other staff benefits included provident fund contributions, medical insurance coverage and other staff benefits) were approximately HK$76.5 million (FY2025: HK$83.2 million). The Group determines the salaries of its employees mainly based on each employee's qualifications, relevant experience, position and seniority. The Group conducts annual review on salary increment, discretionary bonuses and promotions based on the performance of each employee. During the Year, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the "Model Code"). Upon specific enquiries made, each of the Directors confirmed he/she has complied with the Model Code throughout the Year.

### Corporate Governance and Compliance with the Corporate Governance Code

The Group is committed to uphold high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial to the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of the shareholders of the Company.

The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules (the "CG Code") and has complied with the CG Code throughout the Year.

## EVENT AFTER THE YEAR

No event has occurred after 31 March 2026 and up to the date of this announcement which would have a material effect on the Group.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, at least 25% of the Company's issued share capital were held by the public as at the date of this announcement.

## MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the Year.

## FINAL DIVIDEND

The Board did not recommend the declaration of a final dividend for the Year (31 March 2025: HK4.0 cents per share), having considered the Group's financial performance, cash flow requirements and future plans. The Board will continue to evaluate measure to enhance Shareholders' return where appropriate.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 11 August 2026 to Friday, 14 August 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at "17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong" not later than 4:30 p.m. on Monday, 10 August 2026.

The record date to determine shareholders' eligibility to attend and vote at the AGM will be Friday, 14 August 2026.

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS AND THIS ANNUAL RESULTS ANNOUNCEMENT

The audit committee of the Company (the "Audit Committee") has reviewed this annual results announcement and the consolidated financial statements for the year ended 31 March 2026.

The Audit Committee comprises four independent non-executive Directors and is chaired by Ms. Lai Pik Chi, Peggy, who has appropriate professional qualifications and experience as required by Rule 3.10(2) of the Listing Rules.

The figures in respect of the Group's consolidated statement of financial position and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this announcement have been agreed by the Group's auditor, Beijing Xinghua Caplegend CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Beijing Xinghua Caplegend CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Beijing Xinghua Caplegend CPA Limited on this announcement.

## PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange and the Company, and the annual report of the Company for the Year containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
**KPa-BM Holdings Limited**
**Yip Pak Hung**
*Chairman and Executive Director*

Hong Kong, 26 June 2026

*As at the date of this announcement, the executive Directors are Mr. Yip Pak Hung (chairman of the Board) and Mr. Wai Yat Kin; and the independent non-executive Directors are Ms. Lai Pik Chi Peggy, Mr. Lam Chi Wai, Peter, Dr. Yeung Kit Ming and Dr. Koon Chi Ming Sebastian.*

*   *For identification purpose only*