

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **King's Stone Holdings Group Limited**

### **金石控股集團有限公司**

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

**(Stock Code: 1943)**

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

The board (the “**Board**”) of directors (the “**Director(s)**”) of King’s Stone Holdings Group Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025, together with comparative figures for the previous year as follows:

### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March*

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b> (Restated)
<b>Continuing operations</b>			
Revenue	6	<b>173,388</b>	452,263
Cost of services		<b>(220,525)</b>	(434,212)
Gross (loss)/profit		<b>(47,137)</b>	18,051
Other income and gains	6	<b>730</b>	968
Administrative and other operating expenses		<b>(48,833)</b>	(35,505)
Other losses	7	<b>(4,283)</b>	(13,670)
Finance costs		<b>(12)</b>	(51)
Loss before income tax	8	<b>(99,535)</b>	(30,207)
Income tax credit	9	<b>156</b>	1,367
Loss for the year from continuing operations		<b>(99,379)</b>	(28,840)
<b>Discontinued operations</b>			
Loss for the year from discontinued operations		<b>(2,694)</b>	(3,252)
<b>LOSS FOR THE YEAR</b>		<b>(102,073)</b>	(32,092)

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i> (Restated)
<b>OTHER COMPREHENSIVE LOSS</b>			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<b>(29)</b>	(174)
Reclassification of cumulative translation reserve upon disposal of foreign operations		<b>203</b>	–
		<b>174</b>	(174)
Total comprehensive loss attributable to owners of the parent		<b>(101,899)</b>	(32,266)
<b>LOSS PER SHARE</b>			
From continuing and discontinued operations	<i>12</i>		
Basic and diluted		<b>HK(10.2) cents</b>	HK(3.2) cents
From continuing operations			
Basic and diluted	<i>12</i>	<b>HK(9.9) cents</b>	HK(2.9) cents

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March*

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>196</b>	8,510
Intangible assets		–	1,544
Prepayments, other receivables and other assets		<b>53</b>	94
Statutory deposits		–	205
Total non-current assets		<b>249</b>	10,353
<b>CURRENT ASSETS</b>			
Contract assets	<i>13</i>	<b>86,814</b>	94,440
Trade receivables	<i>14</i>	<b>5,920</b>	26,536
Tax recoverable		<b>1,976</b>	1,482
Amount due from the ultimate holding company		–	390
Prepayments, other receivables and other assets		<b>41,762</b>	9,310
Trust bank balances held on behalf of customers		–	24,715
Cash and cash equivalents		<b>9,673</b>	98,139
Total current assets		<b>146,145</b>	255,012
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>15</i>	<b>25,818</b>	44,059
Amount due to immediate holding company		–	18,468
Other payables and accruals		<b>14,980</b>	17,811
Lease liabilities		–	897
Total current liabilities		<b>40,798</b>	81,235
<b>NET CURRENT ASSETS</b>		<b>105,347</b>	173,777
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>105,596</b>	184,130
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>32</b>	188
Lease liabilities		–	99
Total non-current liabilities		<b>32</b>	287
<b>NET ASSETS</b>		<b>105,564</b>	183,843
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	<i>16</i>	<b>10,000</b>	10,000
Reserves		<b>95,564</b>	173,843
<b>TOTAL EQUITY</b>		<b>105,564</b>	183,843

## NOTES

### 1. CORPORATE AND GROUP INFORMATION

King's Stone Holdings Group Limited (the “**Company**”) is an exempted company incorporated in the Cayman Islands on 24 July 2018 with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of operations of the Company is located at Room 2701B, 27/F, Tower 1, Admiralty Center, 18 Harcourt Road, Admiralty, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in providing construction services, including traditional formwork using timber and plywood, system formwork using aluminium and steel, and ancillary works such as concrete works and reinforcement works for the public and private sectors in Hong Kong. The Group was also engaged in securities dealing and broking which was discontinued in current year (note 10).

In the opinion of the directors of the Company, the immediate holding company of the Company is Central Force Premium Group Limited and the ultimate holding company of the Company is Regal Loyalty Limited, which both are incorporated in the British Virgin Islands (“**BVI**”).

### 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of the consolidated financial statements in accordance with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (“**HK\$'000**”) except when otherwise indicated.

#### **Basis for consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### **3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **4. ISSUED BUT NOT YET EFFECTIVE HKFRSs**

##### **New and amendments to HKFRSs in issue but not yet effective**

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

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

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

## 5. OPERATING SEGMENT INFORMATION

The information reported to the directors of the Company, who are the chief operating decision makers (“CODM”), for the purpose of resource allocation and assessment of performance focus on the operating results of the Group as a whole as the Group’s resources are integrated during the year. Accordingly, no operating segment information is presented. During the year ended 31 March 2025, the Group identified its dealing and broking service as discontinued operation upon disposal of Titan Hwaks Limited and its subsidiary in December 2024, which is further disclosed in note 10.

### Geographical information

No geographical information is presented as the Group’s revenue was solely derived from customers in Hong Kong and the non-current assets of the Group were all located in Hong Kong.

### Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group’s revenue for the year is set out below:

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Customer I <sup>1</sup>	22,324	207,109
Customer II <sup>1</sup>	78,878	N/A <sup>2</sup>
Customer III <sup>1</sup>	35,725	N/A <sup>2</sup>
Customer IV <sup>1</sup>	23,973	N/A <sup>2</sup>
Customer V <sup>1</sup>	N/A <sup>2</sup>	188,047
Customer VI <sup>1</sup>	N/A <sup>2</sup>	52,658

<sup>1</sup> Revenue from construction service.

<sup>2</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group during the corresponding year.

## 6. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of services rendered and earned by the Group. All the Group's revenue (other than interest income) is derived from contracts with customers under HKFRS 15.

An analysis of revenue, other income and gains from the Group's continuing operations is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Revenue</b>		
Construction services		
Private sector	<b>81,048</b>	425,448
Public sector	<b>92,340</b>	26,815
	<u><b>173,388</b></u>	<u>452,263</u>
<b>Other income and gains</b>		
Interest income	<b>87</b>	157
Rental income	<b>257</b>	332
Government grants*	<b>184</b>	204
Gain on disposal of items of property, plant and equipment	<b>144</b>	7
Dividend income on financial assets at FVTPL	<b>–</b>	86
Others	<b>58</b>	182
	<u><b>730</b></u>	<u>968</u>

- \* Grants have been received from the Construction Industry Council, an institution established by the Government of the Hong Kong Special Administrative Region, for strengthening hygienic control measures, providing on-the-job training for graduate engineers and trainees. There were no unfulfilled conditions or contingencies relating to these grants.



## 7. OTHER LOSSES

An analysis of other losses from the Group's continuing operations is as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i> (Restated)
Fair values loss arising from financial assets at FVTPL	–	236
Impairment loss on trade receivables	–	13,247
Impairment loss on contract assets	<b>2,617</b>	–
Net loss on disposal of subsidiaries	<b>1,649</b>	–
Loss on termination of lease	<b>17</b>	–
Others	–	187
	<u><b>4,283</b></u>	<u>13,670</u>

## 8. LOSS BEFORE INCOME TAX

The Group's loss before income tax from continuing operations is arrived at after charging:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i> (Restated)
Depreciation of owned assets	<b>1,866</b>	6,194
Depreciation of right-of-use assets	<b>287</b>	431
Total depreciation	<u><b>2,153</b></u>	<u>6,625</u>
Expenses related to short-term leases	<b>5,118</b>	614
Auditors' remuneration	<b>800</b>	1,150
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	<b>42,672</b>	29,813
Pension scheme contributions	<b>347</b>	390
	<u><b>43,019</b></u>	<u>30,203</u>
Written-off of items of property, plant and equipment	<u><b>–</b></u>	<u>347</u>

## 9 INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2 million of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the year.

	2025 HK\$'000	2024 HK\$'000
Current – Hong Kong		
Charge for the year	–	–
Over-provision in respect of prior years	–	(1,367)
Deferred tax	(156)	–
	<u>(156)</u>	<u>–</u>
Total tax credit for the year	<u>(156)</u>	<u>(1,367)</u>

## 10. DISCONTINUED OPERATION

In December 2024, the Group entered into a sale and purchase agreement with the independent third parties to dispose of the entire equity interests of Titan Hwaks Limited and its subsidiary (collectively named “Titan Group”), a direct wholly-owned subsidiary of the Company. Therefore, the carrying amount related to the net assets of the Titan Group was deconsolidated from the consolidated financial statements of the Group as at completion date.

The result of the discontinued operation, which have been included in the loss for the year, were as follows. The comparative figures in the consolidated statement of profit or loss and other comprehensive income and related notes have been restated to re-present the dealing and broking services as a discontinued operation at the beginning of the year.

The loss for the period/year from the discontinued operation is analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Loss from dealing and broking services	(2,694)	(3,252)
Gain on disposal of dealing and broking services	35	–
	<u>(2,659)</u>	<u>(3,252)</u>

Analysis of the results of the discontinued operations are set out below:

	<b>Period from 1 April 2024 to 9 December 2024 HK\$'000</b>	Period from 1 April 2023 to 31 March 2024 HK\$'000
Revenue	<b>374</b>	531
Cost of services	<b>(7)</b>	(152)
Other income and gains	<b>161</b>	231
Administrative and other operating expenses	<b>(3,194)</b>	(3,304)
Other losses	<b>–</b>	(500)
Finance costs	<b>(28)</b>	(58)
	<hr/>	<hr/>
Loss before income tax	<b>(2,694)</b>	(3,252)
Income tax expense	<b>–</b>	–
	<hr/>	<hr/>
Loss for the year from discontinued operation	<b><u>(2,694)</u></b>	<b><u>(3,252)</u></b>

## 11. DIVIDENDS

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

## 12. LOSS PER SHARE

The calculation of basic and diluted loss per share from continuing operations is based on:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Loss attributable to ordinary equity holders of the Company for the purpose of calculating loss per share	(102,073)	(32,092)
Less: loss for the year from discontinued operations	<u>(2,694)</u>	<u>(3,252)</u>
Loss for the purpose of basic loss per share from continuing operations	<u><u>(99,379)</u></u>	<u><u>(28,840)</u></u>
	<b>Number of shares</b>	
	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>
Basic and diluted loss per share from continuing operations	<u><u>HK(9.9) cents</u></u>	<u><u>HK(2.9) cents</u></u>

### From discontinued operations

Basic and diluted loss per share for the discontinued operations is HK0.27 cents per share (2024: HK0.33 cents per share), based on the loss for the period from the discontinued operations of approximately HK\$2,694,000 (2024: approximately HK\$3,252,000) and the denominators detailed above for both basic and diluted loss per share.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

## 13. CONTRACT ASSETS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract assets		
Unbilled revenue	24,177	19,519
Retention receivables	65,462	75,129
Less: Impairment loss	<u>(2,825)</u>	<u>(208)</u>
	<u><u>86,814</u></u>	<u><u>94,440</u></u>

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

Retention receivables included in contract assets represent the Group's right to consideration for work performed but not yet collectible because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group.

#### 14. TRADE RECEIVABLES

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Construction service	(a)	<b>19,854</b>	39,738
Arising from securities brokerage of cash customers	(b)	–	732
Less: Impairment loss		<b>(13,934)</b>	(13,934)
		<b>5,920</b>	26,536

*Notes:*

- (a) The amount represented receivables for contract works. Management generally submit interim payment applications to customers on a monthly basis containing a statement setting out management's estimation of the valuation of the works completed in the preceding month. Upon receiving the interim payment application, the architect or the consultant of the customer will verify such valuation of works completed and issue an interim payment certificate within 30 days. Within 30 days after the issuance of the interim payment certificate, the customer will make payment to the Group based on the certified amount stipulated in such certificate, deducting any retention money in accordance with the contract. Trade receivables are non-interest-bearing.
- (b) Amounts due from cash customers for securities brokerage is required to be settled on the settlement dates of their respective transactions (normally one to two business days after the respective trade dates).

An ageing analysis of trade receivables (net of impairment loss allowance) based on the invoice date or progress payment certificate date is as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Within 30 days	<b>2,005</b>	26,536
31 to 60 days	<b>2,321</b>	–
61 to 90 days	<b>1,594</b>	–
	<u><b>5,920</b></u>	<u>26,536</u>

## 15. TRADE PAYABLES

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Construction service	<b>25,818</b>	18,639
Arising from securities brokerage of cash customers	–	24,692
Arising from securities of HKSCC	–	728
	<u><b>25,818</b></u>	<u>44,059</u>

*Note:*

- (a) Trade payables arising from securities broking business are repayable on demand subsequent to settlement date (normally one to two business days after the respective trade dates).

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date or the progress payment certificate date, is as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Within 30 days	<b>8,966</b>	43,499
31 to 60 days	<b>543</b>	100
61 to 90 days	<b>180</b>	–
Over 90 days	<b>16,129</b>	460
	<u><b>25,818</b></u>	<u>44,059</u>

Trade payables are non-interest-bearing. The payment terms of trade payables from construction service are stipulated in the relevant contracts with credit periods of 30 days in general.

## 16. SHARE CAPITAL

Details of the share capital of the Company are as follows:

	<b>Number of ordinary shares of HK\$0.01 each</b>	<b>Nominal value of ordinary shares <i>HK\$'000</i></b>
<b>Authorised:</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>2,000,000,000</u>	<u>20,000</u>
	<b>Number of shares in issue</b>	<b>Amount <i>HK\$'000</i></b>
<b>Issued and fully paid:</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>1,000,000,000</u>	<u>10,000</u>

## **MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATION RESULTS**

### **FINANCIAL HIGHLIGHTS**

- Revenue from continuing operations of the Group was approximately HK\$173.4 million for the year ended 31 March 2025 (“FY2024/25”), representing a decrease of approximately 61.7% as compared with the revenue of approximately HK\$452.3 million (restated) for the year ended 31 March 2024 (“FY2023/24”).
- Gross loss from continuing operations of the Group was approximately HK\$47.1 million for FY2024/25, as compared with the gross profit of approximately HK\$18.1 million (restated) for FY2023/24.
- Loss attributable to owners of the parent was approximately HK\$101.9 million for FY2024/25, whereas loss attributable to owners of the parent was approximately HK\$32.3 million for FY2023/24.
- Basic loss per share from continuing and discontinued operations was approximately HK10.2 cents for FY2024/25, and basic loss per share from continuing and discontinued operations was approximately HK3.2 cents for FY2023/24.
- The Board does not recommend the payment of any final dividend for FY2024/25.

### **BUSINESS REVIEW**

The Group is a Hong Kong-based subcontractor engaged in the provision of formwork work services and dealing and broking services in Hong Kong. The revenue from provision of formwork work services in Hong Kong for FY2024/25 amounted to approximately HK\$173.4 million, representing a decrease of approximately HK\$278.9 million or 61.7% as compared to approximately HK\$452.3 million (restated) for FY2023/24. Such decrease was primarily attributable to intense market competition which led to smaller number of successful tenders and lower value of contracts awarded.

The gross loss of approximately HK\$47.1 million reported for FY2024/25, compared to the gross profit of approximately HK\$18.1 million (restated) for FY2023/24, was primarily due to the increase in additional subcontracting costs.



## **BUSINESS PROSPECT**

During the year ended 31 March 2025, the Group remained principally engaged in the provision of formwork work services in Hong Kong. In December 2024, the Group completed the disposal of its dealing and broking business, enabling management to focus resources on its core construction operations amidst a challenging and competitive market environment.

Looking ahead, the Board believes that smart building and construction digitalisation will continue to be prominent trends in the industry. The Group's existing business, which plays a vital role in the construction process, will actively adapt to market changes and technological advancements. The Board recognises that the model construction market presents broad prospects and significant growth potential.

In line with the strategic intentions of the new controlling shareholder, the Group will seek to strengthen its technological innovation and research and development capabilities. The Group aims to actively apply smart building and construction digitalisation technologies— such as Internet of Things (IoT) systems, drone-based security, and smart energy management— to improve construction efficiency, enhance quality, and raise the competitiveness of its services and solutions. By leveraging the resources, industry experience, and network of the new controlling shareholder, the Group will also explore opportunities for business diversification, particularly in areas that benefit from the integration of advanced electronic components and smart infrastructure.

The Group will continue to review its project portfolio and explore new business opportunities related to people's livelihood, with the objective of identifying a second growth curve for sustainable development. These initiatives are intended to lay a solid foundation for the Group's long-term growth and to create greater value for shareholders.

As at 31 March 2025, the Group had 4 projects that were yet to be completed, and the original contract value of such projects amounted to approximately HK\$341.1 million.

The Board remains cautiously optimistic about the outlook for the Hong Kong construction industry and is committed to driving the Group's transformation towards a more technology-driven, diversified, and resilient business model.

## **FINANCIAL REVIEW**

### **Analysis of key items of results of operations**

#### ***Revenue***

Our revenue was approximately HK\$173.4 million for FY2024/25, representing a decrease of approximately 61.7% as compared with the revenue of approximately HK\$452.3 million (restated) for FY2023/24.

### ***Gross (loss)/profit and gross (loss)/profit margin***

Our gross (loss)/profit and gross (loss)/profit margin for FY2023/24 and FY2024/25 respectively were as follows:

	<b>FY2024/25</b>	<b>FY2023/24</b> (Restated)
Revenue (HK\$'000)	<b>173,388</b>	452,263
Gross (loss)/profit (HK\$'000)	<b>(47,137)</b>	18,051
Gross (loss)/profit margin	<b>(27.2%)</b>	4.0%

The Group's gross loss of approximately HK\$47.1 million reported for FY2024/25, compared to the gross profit of approximately HK\$18.1 million (restated) for FY2023/24, was primarily due to the increase in additional subcontracting costs.

### ***Other income and gains***

Other income and gains remained relatively stable, amounting to approximately HK\$0.7 million for FY2024/25 and approximately HK\$1.0 million (restated) for FY2023/24.

### ***Administrative expenses***

Administrative expenses increased by approximately HK\$13.3 million from approximately HK\$35.5 million (restated) for FY2023/24 to approximately HK\$48.8 million for FY2024/25, representing an increase of approximately 37.5%. Such increase was mainly attributable to the increase in discretionary bonus to staff of approximately HK\$22.0 million for FY2024/25.

### ***Other losses***

The Group recorded other losses of approximately HK\$4.3 million for FY2024/25 (for FY2023/24: HK\$13.7 million (restated)), which was mainly attributable to the impairment loss on contract assets of approximately HK\$2.6 million and net loss on disposal of subsidiaries of approximately HK\$1.7 million for FY2024/25.

### ***Finance costs***

Finance costs remained relatively stable, amounting to approximately HK\$0.01 million for FY2023/24 and approximately HK\$0.05 million (restated) for FY2024/25.

### ***Income tax***

For FY2024/25, the Group's income tax credit amounted to approximately HK\$0.2 million, as compared with approximately HK\$1.4 million (restated) of income tax credit for FY2023/24.

### ***Discontinued Operation***

For FY2024/25, the Group disposed of Titan Group, which was principally engaged in securities dealing and broking. The operation of Titan Group for FY2023/24 and the period from 1 April 2024 to 9 December 2024 were presented as discontinued operation. The Group recorded a loss of approximately HK\$2.7 million from discontinued operation during the period, as compared with a loss of approximately HK\$3.3 million for FY2023/24.

### ***Loss attributable to owners of the parent***

As a result of the foregoing, the loss attributable to owners of the parent amounted to approximately HK\$101.9 million for FY2024/25 as compared to the loss attributable to owners of the parent of approximately HK\$32.3 million for FY2023/24.

### ***Final dividend***

The Board has resolved not to recommend the declaration of any final dividend for FY2024/25 (FY2023/24: nil).

### ***Liquidity and financial resources***

Our primary uses of capital are to satisfy our working capital needs and to fund our construction projects. We financed our working capital primarily from (i) cash generated from operating activities, which primarily comprised cash payments we received from our revenue from the provision of formwork works and other construction works, (ii) bank borrowings; and (iii) proceeds from issuance of new shares of the Company (the “Share(s)”). In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents which are deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. We rely on cash and cash equivalents on hand and the cash generated from operating activities as the main sources of liquidity. As at 31 March 2025, the cash and cash equivalents, net current assets and total assets less current liabilities were approximately HK\$9.7 million (as at 31 March 2024: approximately HK\$98.1 million), approximately HK\$105.3 million (as at 31 March 2024: approximately HK\$173.8 million) and approximately HK\$105.6 million (as at 31 March 2024: approximately HK\$184.1 million), respectively.

### ***Contingent liabilities***

As at 31 March 2025, the Group did not have any material contingent liabilities (as at 31 March 2024: nil).

### ***Capital commitments***

As at 31 March 2025, the Group had nil capital commitments in respect of the acquisitions of property, plant and equipment (as at 31 March 2024: HK\$1.1 million) contracted for but not provided in the consolidated financial statements of the Group.

### ***Funding and treasury policy***

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. 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.

### ***Foreign currency risk***

The Group has no significant exposure to foreign currency risk because almost all of the Group's transactions are denominated in Hong Kong dollars. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure as and when appropriate.

### ***Gearing ratio***

As at 31 March 2025, the Group's gearing ratio was nil (as at 31 March 2024: nil), representing total bank and other borrowings as a percentage of total equity.

### ***Segment information***

Segment information is presented for the Group as disclosed in note 5 to the consolidated financial statements.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

During FY2024/25, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

## **SIGNIFICANT INVESTMENT HELD**

During FY2024/25, the Group had not held any significant investment.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

During FY2024/25, the Group did not have any plans for material investments and capital assets.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2025, the Group had 31 employees in Hong Kong (31 March 2024: 37 employees). The remuneration package that our Group offers to employees includes salary, bonuses and other cash subsidies. In general, our Group determines employee salaries based on each employee's qualifications, position and seniority. As required by Hong Kong laws, we have enrolled all of our full-time staff in the Mandatory Provident Fund Scheme. We intend to maintain our remuneration package competitive in order to attract and retain talented labour, and we regularly carry out staff evaluation to assess their performance.

## **COMPETITION INTERESTS**

During FY2024/25, none of the Directors nor the controlling shareholders of the Company and their respective associates (as defined under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) had any interests in a business, apart from the business of the Group, which competes or may compete with the business of the Group or has any other conflict of interest with the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

## **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 C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees who are likely to be in possession of unpublished inside information of the Company.

Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during FY2024/25 and up to the date of this announcement.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company has maintained a sufficient amount of public float for the Shares as required under the Listing Rules during FY2024/25 and up to the date of this announcement.

## CORPORATE GOVERNANCE PRACTICES

The Company and the Board are devoted to achieve and maintain high standards of corporate governance, as the Board believes that good and effective corporate governance practices are fundamental to obtain and maintain the trust and safeguarding interest of the shareholders and other stakeholders of the Company. The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

To the best knowledge of the Board, except for the deviation from the code provision C.2.1 of the CG Code, the Company has complied with the code provisions in the CG Code throughout FY2024/25 and up to the date of this announcement.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Wang Jianfeng (“**Mr. Wang**”) assumed the dual role as the chairman of the Board and the chief executive officer of the Company. However, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Wang can facilitate the execution of the Group’s business strategies and provide a strong and consistent leadership to improve the Company’s efficiency in decision-making. The Board considers that appointment of Mr. Wang as the chairman of the Board and the chief executive officer of the Company will not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of one executive Director, three non-executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from code provision C.2.1 of the CG Code is appropriate under such circumstances. However, the Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) was established on 8 June 2019. The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Cai Huihui, Ms. Florence Ng and Mr. Wang Wenxing (being the chairman of the Audit Committee who possesses the appropriate professional qualifications).

The primary duties of the Audit Committee are to review, supervise, and assist our Board in providing an independent view of, our financial reporting processes, and internal control and risk management systems, as well as to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance, and perform other duties and responsibilities as assigned by our Board from time to time.

The Audit Committee has approved and reviewed with the external auditor of the Company and the management of the Group, the consolidated financial results of the Group for FY2024/25 and agreed to the accounting principles and policies adopted by the Group.

During FY2024/25, the Audit Committee held three meetings. The members of the Audit Committee reviewed and discussed with the external auditors of the Company on the Group’s audited consolidated financial statements for FY2023/24 and the unaudited interim consolidated financial statements for the six months ended 30 September 2024. They were of the opinion that these financial statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made. Additional meeting may also be held by the Audit Committee from time to time to discuss special projects or other issues which it considers necessary. The external auditors of the Group may request a meeting with the Audit Committee if they consider that is necessary.

## **SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED (“HLB”)**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by HLB to be the same amounts set out in the Group’s audited consolidated financial statements for FY2024/25. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB on this announcement.



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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during FY2024/25.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Scheme**”) pursuant to a resolution in writing passed by the then sole shareholder of the Company on 8 June 2019.

As at the date of this announcement, the maximum number of unexercised Shares in respect of which options may be granted under the Scheme is 100,000,000 shares, representing approximately 10% of the entire issued share capital of the Company as at the date of the adoption of the Scheme.

As at the date of this announcement, no option has been granted by the Company under the Scheme.

## CHANGE OF CONTROLLING SHAREHOLDER AND THE OFFER

On 20 March 2025, (i) Jianeng Era International Trading Co., Limited (the “**Offeror**” or “**Jianeng Era**”), which was owned as to 95% and 5% by Ms. Zeng Jingwen (“**Ms. Zeng**”) and Ms. Tang Jingjing (“**Ms. Tang**”) at the material time, as the purchaser; (ii) Central Force Premium Group Limited, which is ultimately wholly-owned by Mr. Wang Jianfeng (“**Mr. Wang**”), as the vendor; and (iii) Mr. Wang, as the vendor's guarantor, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which, among other things, the Vendor agreed to sell 750,000,000 Shares (the “**Sale Shares**”), representing 75% of the total issued share capital of the Company, at the consideration of HK\$60 million.

Following completion of the transfer of the Sale Shares under the Sale and Purchase Agreement on 20 March 2025, the Sale Shares were transferred to Huayu Holdings Limited (“**Huayu Holdings**”) (as the nominee of the Offeror). Huayu Holdings is owned as to 98% and 2% by Ms. Zeng and Ms. Tang, respectively. To align the shareholding structure of the Offeror with that of Huayu Holdings, on 10 April 2025, Ms. Tang transferred her 3% shareholding in the Offeror to Ms. Zeng. Following the said transfer, the Offeror is owned as to 98% and 2% by Ms. Zeng and Ms. Tang, respectively.

Following completion of the transfer of the Sale Shares under the Sale and Purchase Agreement on 20 March 2025, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them are interested in 750,000,000 Shares, representing 75% of the total issued share capital of the Company. The Offeror is required to make and made a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers at HK\$0.08 per offer Share (the “**Offer**”).



Details of the change of controlling shareholder of the Company and the Offer were set out in the joint announcements dated 2 April 2025, 23 April 2025, 23 May 2025, 16 June 2025 and 26 June 2025.

## **ANNUAL GENERAL MEETING**

As at the date of this announcement, the Company has not determined the date when the Company's 2025 annual general meeting will be held and the relevant book closure arrangement. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement will be published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.kshgl.hk](http://www.kshgl.hk)). The annual report for the year ended 31 March 2025 containing all the information required by the Listing Rules will be available on the above websites and despatched to the Shareholders in due course.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed herein, there have been no significant event occurred after 31 March 2025 and up to the date of this announcement.

## **APPRECIATION**

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

By order of the Board  
**King's Stone Holdings Group Limited**  
**Wang Jianfeng**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 30 June 2025

*As at the date of this announcement, the Board of the Company comprises Mr. Wang Jianfeng (Chairman, Chief Executive Officer and executive Director), Mr. Cai Huihui, Ms. Liu Jingna and Mr. Ruan Dongdong as non-executive Directors, and Mr. Wang Wenxing, Mr. An Wen Long and Ms. Florence Ng as independent non-executive Directors.*