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LOTUS HORIZON HOLDINGS LIMITED

智中國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6063)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Lotus Horizon Holdings Limited (the “**Company**”) is pleased to present the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024 as follows:

FINANCIAL HIGHLIGHTS

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Revenue	259,826	242,638
Gross profit	26,184	26,393
Profit before taxation	3,637	3,929
Profit for the year	3,193	3,320
Earnings per share, basic (<i>HK cents</i>)	0.16	0.17

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025	2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	259,826	242,638
Cost of sales		<u>(233,642)</u>	<u>(216,245)</u>
Gross profit		26,184	26,393
Other income and losses, net	4	2,587	1,680
Net impairment losses (recognised) reversed under expected credit loss model	5	(285)	248
Operating and administrative expenses		(24,713)	(22,946)
Finance costs	6	<u>(136)</u>	<u>(1,446)</u>
Profit before taxation	7	3,637	3,929
Income tax expense	8	<u>(444)</u>	<u>(609)</u>
Profit for the year		3,193	3,320
Other comprehensive expenses for the year:			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(11)</u>	<u>–</u>
Total comprehensive income for the year		<u>3,182</u>	<u>3,320</u>
Earnings per share, basic (<i>HK cents</i>)	10	<u>0.16</u>	<u>0.17</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property and equipment		2,743	4,927
Rental deposits	11	–	728
Deferred tax assets		3,234	3,678
		5,977	9,333
Current assets			
Trade and other receivables	11	20,313	41,220
Contract assets	12	68,106	43,192
Pledged bank deposits		3,000	3,000
Bank balances and cash		63,372	75,452
		154,791	162,864
Current liabilities			
Trade and other payables	13	24,985	22,665
Contract liabilities	12	5,557	19,319
Lease liabilities		1,071	2,469
		31,613	44,453
Net current assets		123,178	118,411
Total assets less current liabilities		129,155	127,744
Non-current liabilities			
Lease liabilities		192	1,213
Other payables	13	–	750
		192	1,963
Net assets		128,963	125,781
Capital and reserves			
Share capital		20,000	20,000
Reserves		108,963	105,781
Total equity		128,963	125,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands on 14 November 2018 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company’s registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is located at 21/F, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong.

Its immediate and ultimate holding company is Platinum Lotus Holdings Limited, a limited liability company incorporated in the British Virgin Islands. The ultimate controlling shareholder of the Company is Mr. Chu Kwok Fun (“**Mr. Chu**”).

The Company acts as an investment holding company and the principal activities of the Company and its subsidiaries are the provision of design, supply and installation services for façade works and building metal finishing works.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (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 HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of design, supply and installation services for façade works and building metal finishing works in Hong Kong by the Group to external customers which is recognised over time using the input method and derived from long-term contracts during the year.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Recognised over time		
Design, supply and installation services for		
– façade works	186,452	151,755
– building metal finishing works	73,374	90,883
	<u>259,826</u>	<u>242,638</u>

The Group's operating activities are attributable to a single operating segment focusing on the provision of design, supply and installation services for façade works and building metal finishing works. This operating segment has been identified on the basis of internal management reports that are regularly reviewed by the chief operating decision maker (“CODM”), being Mr. Chu, the chief executive officer and executive director of the Company, for the purpose of resources allocation and performance assessment. Other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance.

The CODM reviews the overall results for the year of the Group as a whole to make decisions about resources allocation. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM. The operation of the Group constitutes one single operating segment under HKFRS 8 “Operating segments” and accordingly, no separate segment information other than entity level information is prepared.

The customers of the Group are mainly property developers and main contractors in Hong Kong. All of the Group's provision of design, supply and installation services for façade works and building metal finishing works are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

Geographical information

All of the Group's revenue from external customers was generated from customers located in Hong Kong and all of the Group's non-current assets (excluding rental deposits and deferred tax assets) were located in Hong Kong.

Information about major customers

Revenue from customers individually contributing over 10% of the total revenue of the Group during the year are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A ¹	81,283	37,665
Customer B ²	59,648	31,960
Customer C ²	49,410	125,293
Customer D ²	N/A ³	30,535

Notes:

1. Revenue from design, supply and installation services for façade works.
2. Revenue from design, supply and installation services for façade works and building metal finishing works.
3. The corresponding revenue did not contribute over 10% of the total revenue of the Group for the relevant year.

4. OTHER INCOME AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	2,620	1,154
Income from a life insurance policy	–	526
Net exchange loss	(33)	–
	<u>2,587</u>	<u>1,680</u>

5. NET IMPAIRMENT LOSSES (RECOGNISED) REVERSED UNDER EXPECTED CREDIT LOSS MODEL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net impairment losses (recognised) reversed on:		
– trade receivables	35	(71)
– contract assets	(320)	319
	<u>(285)</u>	<u>248</u>

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interests on:		
– bank borrowings	6	1,200
– lease liabilities	130	246
	<u>136</u>	<u>1,446</u>

7. PROFIT BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000
Profit before taxation has been arrived at after charging:		
Directors' remunerations		
Fee	637	540
Other emoluments	<u>3,559</u>	<u>4,474</u>
	4,196	5,014
Other staff costs		
Salaries and other benefits	31,823	31,338
Retirement benefit scheme contributions for other staffs	<u>915</u>	<u>894</u>
Total staff costs	<u>36,934</u>	<u>37,246</u>
Auditor's remuneration	880	1,100
Variable rents in respect of office equipment which are not included in lease liabilities (<i>Note</i>)	11	–
Depreciation on property and equipment	3,730	3,505
and after crediting:		
Income from a life insurance policy	<u>–</u>	<u>526</u>

Note: The operating lease rentals for office equipment are determined according to predetermined fixed cost and the excess usage of printing pages pursuant to terms and conditions that are set out in respective rental agreements.

8. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
The income tax expense comprises:		
Deferred tax expense	<u>444</u>	<u>609</u>

No provision for Hong Kong Profits Tax is made in the financial statements for the years ended 31 March 2025 and 31 March 2024 as the estimated assessment profit was wholly absorbed by tax losses brought forward.

9. DIVIDENDS

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

The directors of the Company do not recommend the payment of a final dividend in respect of the year ended 31 March 2025.

10. EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Earnings:		
Profit for the year for the purpose of calculating basic earnings per share	<u>3,193</u>	<u>3,320</u>
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>2,000,000</u>	<u>2,000,000</u>

No diluted earnings per share is presented as the Group has no potential ordinary shares in issue during both years.

11. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	18,363	34,525
Less: Allowances for impairment	<u>(3,392)</u>	<u>(3,427)</u>
	14,971	31,098
Rental deposits	728	728
Deposits and prepayments	4,020	9,392
Other receivables	<u>594</u>	<u>730</u>
	20,313	41,948
Less: Rental deposits classified as non-current portion	<u>–</u>	<u>(728)</u>
Current portion of trade and other receivables	<u>20,313</u>	<u>41,220</u>

The Group usually allows a credit period ranging from 30 to 74 days to its customers. Before accepting any new customers, the Group will internally assess the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the Group regularly.

The following is an ageing analysis of trade receivables, net of loss allowances, presented based on the approval dates of work certified by architects, surveyors or other representatives appointed by the customers, at the end of the reporting period, which are also the dates when the Group's right to consideration became unconditional:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	6,623	18,315
31 to 60 days	7,100	11,378
61 to 90 days	1,248	245
Over 90 days	–	1,160
	<u>14,971</u>	<u>31,098</u>

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Analysed for reporting purposes, on a net basis for each respective contract:		
Contract assets		
– façade works	55,425	33,672
– building metal finishing works	17,427	13,946
	<u>72,852</u>	<u>47,618</u>
Less: Allowances for impairment		
– façade works	(4,714)	(4,394)
– building metal finishing works	(32)	(32)
	<u>(4,746)</u>	<u>(4,426)</u>
	<u>68,106</u>	<u>43,192</u>
Contract assets, net of allowances for impairment		
– façade works	50,711	29,278
– building metal finishing works	17,395	13,914
	<u>68,106</u>	<u>43,192</u>
Contract liabilities		
– façade works	(2,234)	(15,510)
– building metal finishing works	(3,323)	(3,809)
	<u>(5,557)</u>	<u>(19,319)</u>

13. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	16,509	15,287
Retention payables	5,359	5,101
Provision for reinstatement cost	750	750
Other payables	14	20
Accrued expenses	2,353	2,257
	24,985	23,415
Less: Provision classified as non-current portion	–	(750)
Current portion of trade and other payables	24,985	22,665

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	16,315	15,287
31 to 60 days	194	–
	16,509	15,287

The credit period of trade payables is usually ranging from 0 to 30 days.

14. PERFORMANCE GUARANTEES

As at 31 March 2025, surety bonds of an aggregate balance of HK\$20,735,000 (2024: HK\$11,890,000) were given by financial institutions in favour of the Group's customers as security for the performance and observance of the Group's obligations under the construction contracts entered into between the Group and the customers. If the Group fails to provide satisfactory performance to the customers to whom the performance guarantees have been given, such customers may demand the financial institutions to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such financial institutions accordingly. The performance guarantees will be released upon completion of the contract works. The performance guarantees were granted under letters of guarantees of the Group and were not secured by any of the Group's pledged bank deposits as at 31 March 2025.

As at 31 March 2025, the Company provided a guarantee (the "**Parent Company Guarantee**") for the performance of all obligations and liabilities of a wholly owned subsidiary of the Company (the "**Sub-Contract Subsidiary**") under a construction contract (the "**Sub-Contract**") entered into between the Sub-Contract Subsidiary and the contractor (the "**Main Contractor**") of the Sub-Contract. The maximum liability of the Company under the Parent Company Guarantee shall be limited to HK\$22,830,000 (2024: HK\$22,830,000), which is approximately 10.0% of the contract sum of the Sub-Contract. The Parent Company Guarantee will be released upon the date of completion stated in the certificate of completion in accordance with the main contract signed between the Main Contractor and the employer of the Main Contractor.

The management of the Group does not consider it is probable that a claim will be made against the Group in respect of the above performance guarantees.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a subcontractor engaged in the provision of design, supply, and installation services for façade works and building metal finishing works in Hong Kong.

As at 31 March 2025, the Group had 17 projects in progress with a total original contract sum of approximately HK\$752.3 million. Total revenue of approximately HK\$259.8 million was recognised during the year ended 31 March 2025 (the “**Year**”, “**FY2025**” or the “**reporting period**”).

During the Year, the Group has been awarded 10 new projects with a total contract sum of approximately HK\$243.0 million, which comprise 6 projects for façade works and 4 projects for building metal finishing works. As at 31 March 2025, the outstanding value of our projects on hand was approximately HK\$323.5 million, as compared to approximately HK\$327.2 million as at 31 March 2024.

OUTLOOK AND PROSPECTS

The economic outlook of Hong Kong is full of challenges. The uncertainties resulted from geopolitical tensions and protectionism, as well as the volatility from US Federal rate decisions, all put pressure and constitute additional risks on Hong Kong’s economy.

The existing unsold residential units, as well as the projected private flat supply for the next three to four years, in Hong Kong maintains at a high level. Property developers remain cautious to invest in new construction projects in the local private residential properties market. In addition, record-high office vacancy rates and decline in office rents depress the demand of new commercial properties, leading to a significant drop in commercial properties development projects in the Hong Kong market.

Despite of the abovementioned challenges, we believe that following the foreseeable integration of Greater Bay Area, Hong Kong economy will maintain stable growth and thus stimulate numerous opportunities to the Group in long term.

In short term, we are prepared to implement more cost control measures for mitigating the onslaught of the abovementioned challenges. With our experienced management team and reputation in the market, we are confident that the Group can leverage its competitive strengths to maintain our market share and capture future opportunities.

FINANCIAL REVIEW

Revenue

The table below sets forth an analysis of our revenue by the types of services provided for the years ended 31 March 2025 and 2024:

	Year ended 31 March			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Façade works	186,452	71.8	151,755	62.5
Building metal finishing works	73,374	28.2	90,883	37.5
Total	259,826	100.0	242,638	100.0

The Group's revenue increased by approximately HK\$17.2 million or 7.1% from approximately HK\$242.6 million for the year ended 31 March 2024 (the “**Previous Year**” or “**FY2024**”) to approximately HK\$259.8 million for the Year. The increase in revenue recognised was primarily attributed to the increased number of façade works projects awarded and kick-started during the Year.

The table below sets forth an analysis of our revenue by sectors for the years ended 31 March 2025 and 2024:

	Year ended 31 March			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Residential properties	158,357	60.9	145,974	60.2
Commercial properties	219	0.1	1,202	0.5
Public facilities	101,250	39.0	95,462	39.3
Total	259,826	100.0	242,638	100.0

Gross profit and gross profit margin

The table below sets forth an analysis of the amount of gross profit and the gross profit margin by types of services for the years ended 31 March 2025 and 2024:

	Year ended 31 March			
	2025		2024	
	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>
	<i>HK\$'000</i>	<i>(%)</i>	<i>HK\$'000</i>	<i>(%)</i>
Façade works	19,205	10.3	16,101	10.6
Building metal finishing works	6,979	9.5	10,292	11.3
Total	26,184	10.1	26,393	10.9

The Group's gross profit slightly decreased by approximately HK\$0.2 million from approximately HK\$26.4 million for the FY2024 to approximately HK\$26.2 million for the FY2025. The gross profit margin slightly decreased from approximately 10.9% for the FY2024 to approximately 10.1% for the FY2025. The decrease of the Group's gross profit margin was mainly due to lower gross profit margins of projects newly awarded during the Year as a result of fierce competition in Hong Kong market.

The table below sets forth an analysis of the amount of gross profit and the gross profit margin by sectors for the years ended 31 March 2025 and 2024:

	Year ended 31 March			
	2025		2024	
	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>
	<i>HK\$'000</i>	<i>(%)</i>	<i>HK\$'000</i>	<i>(%)</i>
Residential properties	16,298	10.3	17,680	12.1
Commercial properties	115	52.5	951	79.1
Public facilities	9,771	9.7	7,762	8.1
Total	26,184	10.1	26,393	10.9

The gross profit margin of commercial properties projects sustained at relatively high level in FY2025 and FY2024 since the variation orders of certain projects were assessed by main contractors at amounts higher than budgeted after negotiation, leading to recognition of additional revenue in the years.

Other income and losses, net

During the FY2025, we recognised other income and losses, net of approximately HK\$2.6 million, as compared with other income of approximately HK\$1.7 million recognised during the FY2024. The amount recognised for the Year mainly contributed from bank interest income of approximately HK\$2.6 million, while that for the Previous Year included bank interest income of approximately HK\$1.2 million and income from a life insurance policy of HK\$526,000.

Net impairment losses (recognised) reversed under expected credit loss model

The amounts represent impairment losses, net of reversal, made on trade receivables and contract assets. The Group recognised an impairment loss of approximately HK\$310,000 in respect of the entire balance of retention receivable due from a customer, net of the reversal of non-credit-impaired lifetime expected credit losses of approximately HK\$25,000, led to the net impairment losses of approximately HK\$285,000 for the Year.

The net impairment losses reversed of approximately HK\$248,000 in the Previous Year was resulted from the reversal of impairment losses on contract assets of approximately HK\$319,000, net of impairment losses of HK\$71,000 recognised on trade receivables.

Operating and administrative expenses

Operating and administrative expenses include staff costs, depreciation and amortisation, marketing and promotion expenses, travelling, office and utility expenses, legal and professional fees and other expenses. For the FY2025, the Group's operating and administrative expenses were approximately HK\$24.7 million, representing an increase of approximately HK\$1.8 million or 7.7% from approximately HK\$22.9 million for the FY2024. The increase was mainly attributable to an increase in staff costs recognised as operating and administrative expenses of approximately HK\$1.4 million, and an increase in legal and professional expenses of approximately HK\$0.3 million during the FY2025.

Finance costs

Finance costs comprise interests on bank borrowings and interests on lease liabilities. The former refers to the interest cost incurred for borrowings raised from banks while the latter refers to interest portion included in the lease payments under the leases of renting office premises and office equipment for operating uses. For the FY2025, the finance costs were approximately HK\$136,000, decreased by approximately HK\$1.3 million from approximately HK\$1.4 million for the FY2024. The decrease in finance costs was mainly due to the decrease in interests on bank borrowings.

Income tax expense

The Group's income tax expense for the FY2025 comprises deferred tax expense of HK\$444,000 (FY2024: HK\$609,000). The deferred tax expense for the FY2025 and FY2024 was mainly attributed to the utilisation of tax loss recognised as deferred tax asset in prior years.

Profit and total comprehensive income for the year

As a result of the foregoing factors, the Group's net profit for the Year slightly decreased by approximately HK\$0.1 million from approximately HK\$3.3 million for the Previous Year to approximately HK\$3.2 million for the Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2025, the Group had net current assets of approximately HK\$123.2 million (31 March 2024: approximately HK\$118.4 million). The current ratio of the Group calculated based on the Group's total current assets divided by total current liabilities as at the end of the reporting period was approximately 4.9 times as at 31 March 2025 (31 March 2024: approximately 3.7 times).

The Group finances its operations primarily through a combination of cash flows generated from operations and bank borrowings. The increase of current ratio and bank balances was primarily attributable to the net cash flow generated from its operation during the Year.

As at 31 March 2025, the Group had bank balances and cash of approximately HK\$63.4 million (31 March 2024: approximately HK\$75.5 million).

Bank borrowings

As at 31 March 2025, the maximum limit of the banking facilities available to the Group amounted to approximately HK\$76.5 million, out of which an amount of approximately HK\$20.7 million was utilised for performance guarantees.

The Group did not utilise any banking facilities for bank borrowings as at 31 March 2025 and 31 March 2024. The gearing ratio of the Group, calculated based on the Group's total bank borrowings divided by total equity and multiplied by 100%, was zero as at 31 March 2025 and 31 March 2024.

The Group has adopted a prudent approach in financial resources management. In the management of the liquidity, the Group continues to monitor and maintain adequate cash and cash equivalents as well as banking facilities to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Capital structure

The capital structure of the Group consists of equity attributable to the owners of the Company, comprising issued share capital and reserves. There has been no change in the capital structure of the Company throughout the Year.

Pledge of assets

As at 31 March 2025, the pledged bank deposits of approximately HK\$3.0 million (31 March 2024: approximately HK\$3.0 million) have been pledged to secure banking facilities granted to the Group given by a bank.

As at 31 March 2025, the lease liabilities of approximately HK\$0.8 million (31 March 2024: approximately HK\$3.0 million) are secured by rental deposits with carrying values of approximately HK\$0.7 million (31 March 2024: approximately HK\$0.7 million).

Foreign exchange exposures

The Group operates mainly in Hong Kong and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to certain procurement of raw material with Renminbi. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the group entities' functional currency. The Group however considers that the currency risk of those monetary liabilities is not significant and did not engage in any derivatives agreements and did not commit to any financial instrument to hedge its foreign exchange exposure during the Year. The management of the Group will monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital expenditure

Our principal capital expenditures relate primarily to investments in property and equipment excluding right-of-use assets. During the Year, the Group incurred capital expenditure of HK\$1.5 million (FY2024: HK\$40,000).

Capital commitments and contingent liabilities

The detailed information of performance guarantees of the Group as at 31 March 2025 is set out in Note 14 to the consolidated financial statements. Save as disclosed in Note 14 to the consolidated financial statements, there is no other capital commitment and contingent liabilities that the Group is aware of.

Significant investments, acquisition and disposals

There were no significant investments held, acquisitions or disposals of subsidiaries and affiliated companies by the Group during the reporting period.

Future plans for material investments and capital assets

Save as disclosed elsewhere in this announcement, the Group did not have other plans for material investments or capital assets as at 31 March 2025.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 March 2025, the Group had 50 (31 March 2024: 57) full time employees (including two executive Directors but excluding three independent non-executive Directors). The decrease in the number of employees was mainly attributable to the decrease in the number of project staff. The Group has implemented a tight cost control and adjusts the number of project staff based on the progress and expected workload of our construction works and the expected completion dates of work projects. The number of administrative staff was relatively stable as at 31 March 2025 and 2024.

The remuneration package offered to employees includes salary and other employee benefits such as bonus. In general, the Group determines the salaries of its employees based on their individual performance, qualifications, experiences and position held. The Group conducts annual salary and promotion review in order to attract and retain employees. In addition, the Group provides and organises various types of training to its employees to elevate overall efficiency, employee loyalty and morale. Total staff costs for the FY2025 were approximately HK\$36.9 million (FY2024: approximately HK\$37.2 million).

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group had entered into a joint venture agreement with a company incorporated in Macau for the establishment of a joint venture company to operate a North-eastern Chinese cuisine restaurant in Macau, details of which were set out in the Company's announcements dated 23 May 2025 and 30 May 2025 respectively.

Save as disclosed above and elsewhere in this announcement, the Board is not aware of any significant events, which have material effect on the Group, occurred after 31 March 2025 and up to the date of this announcement.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling shareholders of the Company nor their respective close associates (as defined in the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange) is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Year.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 5 March 2020. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The main purpose of the Share Option Scheme is to motivate employees to optimize their performance efficiency for the benefit of the Company, to attract and retain best available personnel, to provide additional incentive to employees (full time or part time), directors, consultants, advisers of the Group and to promote success of the business of the Group.

No share options were granted, cancelled, exercised or lapsed under the Share Option Scheme since its adoption date and up to the date of this announcement.

Share options may be exercised at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant. Despite the terms of the Share Option Scheme, any grant of share options by the Company will comply with the Listing Rules from time to time.

The number of options available for grant under the scheme mandate at the beginning and the end of the Year was 200,000,000.

As at the date of this announcement, the total number of shares available for issue under the Share Option Scheme was 200,000,000, representing 10% of the entire issued share capital of the Company.

CORPORATE GOVERNANCE PRACTICE

The Company’s corporate governance practices are based on the principles and relevant code provisions as set out under the Corporate Governance Code (the “**CG Code**”), as amended from time to time, contained in Appendix C1 to the Listing Rules. To the best of the knowledge of the Board, the Company has complied with the code provisions as set out in Part 2 of the CG Code throughout the Year except where otherwise stated. The Board will continue to review and enhance the Company’s corporate governance policies to ensure compliance with statutory and professional standards and align with the latest developments.

Chairman and Chief Executive Officer

Mr. Chu is currently the chairman of the Board and the chief executive officer of the Company. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be segregated and should not be performed by the same individual. Taking into account Mr. Chu has held the key leadership position of the Group and has been deeply involved in the overall management, strategic planning and development of the business operation since its establishment, the Board considered that the roles of chairman and chief executive officer being performed by Mr. Chu enables more effective and efficient overall business planning, decision making and implementation thereof by the Group.

Mr. Chu also takes the lead to ensure that the Board works effectively and acts in the best interest of the Company by encouraging the Directors to make active contribution in the Board's affairs and promoting a culture of openness and debate.

The Board believes that it is in the best interests of the Group and the shareholders of the Company as a whole to have Mr. Chu taking up both roles. The Board is of the view that the balance of power and authority under the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as a code of conduct of the Company regarding Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code throughout the Year.

AUDIT COMMITTEE

The Company has established an audit committee of the Company (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors: Mr. Ma Tsz Chun, Ms. Leung Yin Fai and Ms. Yuen Wai Yee. Mr. Ma Tsz Chun currently serves as the chairman of the Audit Committee.

The Company's audited consolidated financial statements for the Year have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the audited consolidated financial statements of the Company for the Year comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 June 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (FY2024: Nil).

ANNUAL GENERAL MEETING

The Company's forthcoming annual general meeting (the "AGM") will be held on Friday, 15 August 2025. A notice convening the AGM will be published in the Company's website at www.lotushorizonholdings.com and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 12 August 2025 to Friday, 15 August 2025 (both days inclusive) during which period no transfer of shares of the Company (the "Shares") will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 11 August 2025.

PUBLICATION OF FINANCIAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.lotushorizonholdings.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the year ended 31 March 2025 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the same websites in due course.

APPRECIATION

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

By Order of the Board
Lotus Horizon Holdings Limited
CHU Kwok Fun
Chairman and Chief Executive Officer

Hong Kong, 27 June 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. CHU Kwok Fun (Chairman and Chief Executive Officer) and Mr. CHEN Shu An as executive Directors, and Ms. LEUNG Yin Fai, Mr. MA Tsz Chun and Ms. YUEN Wai Yee as independent non-executive Directors.