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## **Hong Kong Johnson Holdings Co., Ltd.**

**香港莊臣控股有限公司**

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

**(Stock code: 1955)**

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

The board of directors (the “**Board**”) of Hong Kong Johnson Holdings Co., Ltd. (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025 (the “**Year**” or “**Review Year**”), together with the comparative figures for the year ended 31 March 2024 as follows:

#### **FINANCIAL HIGHLIGHTS**

	<b>Year ended 31 March</b>		<b>Change</b>
	<b>2025</b>	<b>2024</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	
Revenue	<b>1,836,054</b>	1,564,215	17.4%
Gross profit	<b>94,530</b>	100,836	(6.3%)
Gross profit margin (%)	<b>5.1%</b>	6.4%	
Profit for the year attributable to equity holders of the Company	<b>15,954</b>	17,259	(7.6%)
Basic and diluted earnings per share (HK cents)	<b>3.2</b>	3.5	(7.6%)
Proposed final dividend per share (HK cent)	<b>0.87</b>	0.94	

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	3	1,836,054	1,564,215
Cost of services		<u>(1,741,524)</u>	<u>(1,463,379)</u>
<b>Gross profit</b>		<b>94,530</b>	100,836
Other income	4	5,957	7,308
Other gains	5	365	2,606
Reversal of allowance/(allowance) for account receivables		282	(831)
Administrative expenses		<u>(82,174)</u>	<u>(87,716)</u>
<b>Profit from operations</b>		<b>18,960</b>	22,203
Finance costs		<u>(826)</u>	<u>(2,978)</u>
<b>Profit before tax</b>		<b>18,134</b>	19,225
Income tax expense	6	<u>(2,180)</u>	<u>(1,966)</u>
<b>Profit for the year attributable to equity holders of the Company</b>	7	<u><b>15,954</b></u>	<u>17,259</u>
<b>Earnings per share attributable to equity holders of the Company</b>			
Basic and diluted (HK cents per share)	9	<u><b>3.2</b></u>	<u>3.5</u>
<b>Other comprehensive income:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement gains/(losses) on defined benefit pension plans		<u>196</u>	<u>(1,338)</u>
<b>Other comprehensive income for the year</b>		<u>196</u>	<u>(1,338)</u>
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>		<u><b>16,150</b></u>	<u>15,921</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		107,841	68,445
Right-of-use assets		20,219	28,096
Financial assets at fair value through profit or loss ("FVTPL")		12,921	12,649
Deferred tax assets		124	156
<b>Total non-current assets</b>		<b>141,105</b>	<b>109,346</b>
<b>Current assets</b>			
Account receivables	10	422,158	260,031
Prepayments, deposits and other receivables		20,699	10,959
Current tax assets		2,507	–
Inventories		3,962	6
Pledged bank deposits		29,342	30,523
Bank and cash balances		302,569	426,967
<b>Total current assets</b>		<b>781,237</b>	<b>728,486</b>
<b>Current liabilities</b>			
Account payables	11	29,857	18,006
Accruals, other payables and provisions		265,959	189,632
Bank and other borrowings		6,526	8,997
Lease liabilities		2,168	6,493
Current tax liabilities		–	1,850
<b>Total current liabilities</b>		<b>304,510</b>	<b>224,978</b>
<b>Net current assets</b>		<b>476,727</b>	<b>503,508</b>
<b>Total assets less current liabilities</b>		<b>617,832</b>	<b>612,854</b>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Provisions	541	608
Bank and other borrowings	1,453	7,984
Lease liabilities	–	2,168
Deferred tax liabilities	8,108	5,814
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>10,102</b>	16,574
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>607,730</b>	596,280
	<hr/>	<hr/>
<b>Equity</b>		
Share capital	5,000	5,000
Reserves	602,730	591,280
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>607,730</b>	596,280
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## NOTES:

### 1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Companies Ordinance (Cap. 622).

### 2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

#### (a) Application of revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (“HK Int 5”) (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

***Adoption of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (collectively the “HKAS 1 Amendments”)***

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

*“Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”*

*Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.”*

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

**(b) New and revised HKFRS Accounting Standards in issue but not yet effective**

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 March 2025 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

***Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments***

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments include:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

### ***HKFRS 18 “Presentation and Disclosure in Financial Statements”***

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

## **3. REVENUE**

### **(a) Disaggregation of revenue**

	<b>2025</b>	2024
	<b><i>HK\$’000</i></b>	<i>HK\$’000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Cleaning, janitorial and other related services income	<b><u>1,836,054</u></b>	<u>1,564,215</u>
<b>Timing of revenue recognition</b>		
Services transferred over time	<b><u>1,836,054</u></b>	<u>1,564,215</u>

**(b) Transaction price allocated to the remaining performance obligation for contracts with customers**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and 2024 and the expected timing of recognising revenue is as follows:

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
Within one year	<b>2,162,858</b>	925,811
More than one year but not more than two years	<b>1,660,965</b>	323,261
More than two years	<b>991,484</b>	69,743
	<b><u>4,815,307</u></b>	<b><u>1,318,815</u></b>

**4. OTHER INCOME**

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
Interest income	<b>5,836</b>	6,885
Dividend income from financial assets at FVTPL	<b>121</b>	99
Other income	<b>–</b>	324
	<b><u>5,957</u></b>	<b><u>7,308</u></b>

**5. OTHER GAINS**

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
Gain on disposals of property, plant and equipment, net	<b>93</b>	2,215
Fair value gain on financial assets at FVTPL, net	<b>272</b>	391
	<b><u>365</u></b>	<b><u>2,606</u></b>



## 6. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	–	4,888
Over-provision in prior year	<u>(146)</u>	<u>(228)</u>
	(146)	4,660
Deferred tax	<u>2,326</u>	<u>(2,694)</u>
	<u><b>2,180</b></u>	<u><b>1,966</b></u>

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the years ended 31 March 2025 and 2024.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before tax	<u>18,134</u>	<u>19,225</u>
Tax at the Hong Kong Profits Tax rate of 16.5% (2024:16.5%)	2,992	3,172
Tax effect of income that is not taxable	(819)	(1,023)
Tax effect of expenses that are not deductible	551	851
Tax effect of temporary differences not recognised	419	(1,694)
Tax concession	–	(3)
Tax effect of tax losses not recognised	–	1,229
Tax effect of utilisation of tax losses not previously recognised	(817)	–
Over-provision in prior year	(146)	(228)
Others	<u>–</u>	<u>(338)</u>
Income tax expense	<u><b>2,180</b></u>	<u><b>1,966</b></u>

## 7. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration	918	1,080
Cost of services ( <i>note (a)</i> )	1,741,524	1,463,379
Depreciation of property, plant and equipment	23,296	20,284
Depreciation of right-of-use assets	4,656	5,718
Gain on disposals of property, plant and equipment, net	(93)	(2,215)
Reversal of allowance/(allowance) for account receivables	(282)	831
Write-down of inventories	–	139
Expenses relating to short-term leases	813	575
Staff costs including labour costs, employee expenses and directors' emoluments		
Salaries, bonuses and allowances	1,296,368	1,118,030
Provision for employee benefits ( <i>note (b)</i> )	54,154	32,624
(Reversal of provision)/provision for employee compensation claims and related legal fees	(5,480)	835
Retirement benefit scheme contributions	34,332	29,096
Other benefits	2,112	1,814
	<b>1,381,486</b>	<b>1,182,399</b>

*Notes:*

- (a) For the year ended 31 March 2025, the cost of services, amongst others, includes labour costs, depreciation and write-down of inventories totalling HK\$1,357,241,000 (2024: HK\$1,156,817,000).
- (b) Provision for employee benefits includes unutilised annual leave payments, estimated redundancy cost, estimated long service payments, and gratuity.

## 8. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Payment of final dividend in respect of the year ended 31 March 2024 of 0.94 HK cent per share	4,700	–
Payment of final dividend in respect of the year ended 31 March 2023 of 1.22 HK cent per share	–	6,100
	<u>4,700</u>	<u>6,100</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2025 of 0.87 HK cent per share, in an aggregate amount of HK\$4,350,000, has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting.

## 9. EARNINGS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to equity holders of the Company for the purpose of calculating basic and diluted earnings per share	<u>15,954</u>	<u>17,259</u>
	2025 '000	2024 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	<u>500,000</u>	<u>500,000</u>

The weighted average numbers of ordinary shares used as denominator for calculating the basic and diluted earnings per share are the same for the years ended 31 March 2025 and 2024 as there were no dilutive potential ordinary shares in issue for both years.

## 10. ACCOUNT RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Account receivables	424,213	262,368
Allowance for account receivables	<u>(2,055)</u>	<u>(2,337)</u>
	<u><b>422,158</b></u>	<u><b>260,031</b></u>

The credit terms of account receivables generally range from 14 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors of the Company.

The ageing analysis of account receivables, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Up to 90 days	380,452	224,543
91 to 180 days	25,767	29,973
181 days to 1 year	10,779	4,142
Over 1 year	<u>7,215</u>	<u>3,710</u>
	<u><b>424,213</b></u>	<u><b>262,368</b></u>

The carrying amounts of the Group's account receivables are denominated in HK\$.

## 11. ACCOUNT PAYABLES

The ageing analysis of account payables, based on the date of receipt of goods or services, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Up to 30 days	19,057	11,913
31 to 60 days	9,905	5,524
61 to 90 days	800	510
Over 90 days	<u>95</u>	<u>59</u>
	<u><b>29,857</b></u>	<u><b>18,006</b></u>

The carrying amounts of the Group's account payables are denominated in HK\$.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS**

The Group is a leading environmental hygiene service provider with coverage spanning across Hong Kong Islands, Kowloon and the New Territories, providing cleaning services including building and campus cleaning, park and recreation center cleaning, street cleaning, disinfection services, pest management services, garbage logistics services and environmental improvement services.

The Group recorded a revenue of approximately HK\$1,836.1 million for the year ended 31 March 2025, representing an increase of 17.4% from approximately HK\$1,564.2 million for the year ended 31 March 2024. The Group's overall gross profit margin decreased from approximately 6.4% to 5.1%. Profit for the year decreased by approximately HK\$1.3 million or 7.6% from approximately HK\$17.3 million for the year ended 31 March 2024 to approximately HK\$16.0 million for the year ended 31 March 2025.

### **BUSINESS REVIEW AND PROSPECTS**

During the Review Year, despite that market economic activities gradually resumed, the overall consumption in the market remained weak, and the strength and speed of Hong Kong's economic recovery were under pressure due to the effect of the continuous tension in geopolitical conditions together with the further deepening trend of "travelling to mainland China for spending". The weakened economy has caused various industries to face different operating difficulties and has continuously affected customers' procurement preferences, leading to some participants which were originally not in the government cleaning service market to shift their focuses to the government customer market, which continuously intensified the competition.

The Group continues to optimize its bidding strategy, and is actively recruiting talents to strengthen the high-end commercial sector team and continuously improving service quality to expand the sources of income in the intensely competitive government market sector. During the Review Year, all business sectors of the Group achieved breakthroughs. Among them, the government sector won several large-scale street cleaning contracts (including Eastern District, North District, Kowloon City District, Kwun Tong District, Southern District, Tuen Mun District, Wong Tai Sin District, Wan Chai District and Central and Western District, etc.). Since the Review Year, the Group has won the bidding of large contracts such as Sha Tin Street, Yau Tsim District Street, Sai Kung District Street, Yuen Long Street and Islands Street. In addition, the Group had also won the contract for the government park (Sha Tin Park). Meanwhile, the commercial sector business also maintained a strong development momentum. During the Review Year, the Group obtained cleaning service contracts for international large banks, renowned universities, luxury villas, five-star hotels and landmark shopping malls, and had become the contractor providing comprehensive services (including patient transport, medication delivery, environmental cleaning, etc.) for two large public hospitals, marking the Group's successful entry into the medical comprehensive service market, with the Company's strength being continuously enhanced and recognized by various sectors of the society.

As at 31 March 2025, the contract amount on hand (unfulfilled portion) of the Group, based on a service date, amounted to approximately HK\$4.815 billion, representing an increase of 265% as compared to 31 March 2024.

The garbage logistics business continued to develop steadily during the Review Year. With the dedicated efforts of our specialized operation team and allocation of sufficient resources, the Group maintained its leading position in garbage logistics services for the cargo terminal of the Hong Kong Airport.

The Group continues to actively develop its professional pest management business, and new cross-selling opportunities have emerged between its professional pest management and quality disinfection services to its customers and its main cleaning business, and synergy was achieved.

For security guarding services, rapid development was achieved during the Review Year. The Group successfully secured two large-scale residential security service contracts and a service contract for a logistics company, which will become a new growth driver of the Group.

During the Review Year, the Group's businesses in the government sector and commercial sector continued to make breakthroughs. In order to consolidate its core business, the Group has continued to enhance service quality. At the same time, the Group has continued to optimize its organizational structure and business processes, and strengthened cost control and its service site management to enhance its competitiveness. We will continue to maintain the provision of cleaning service as our core business, at the same time developing new businesses such as security guarding, garbage logistics, and professional pest management to enrich the Group's business structure, and advance the overall business development.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue for the years ended 31 March 2025 and 2024 were approximately HK\$1,836.1 million and HK\$1,564.2 million respectively, representing an increase of approximately HK\$271.9 million or 17.4%. The increase was mainly due to the boost in revenue generated from both government sector and non-government sector for the Group's cleaning business.

## **Cost of services**

The cost of services primarily comprised of labour costs, cleaning materials costs and motor vehicles expenses. For the years ended 31 March 2025 and 2024, the cost of services amounted to approximately HK\$1,741.5 million and HK\$1,463.4 million respectively, representing approximately 94.9% and 93.6% of the Group's revenue for the corresponding years respectively, and the percentage of cost of services to the Group's revenue increased by approximately 1.3%. The increase in cost of services was mainly due to the direct costs incurred with the award of new contracts, and at the same time, the overall increase in labour costs as a result of the rise in wage level.

## **Gross profit and gross profit margin**

The Group's gross profit for the year ended 31 March 2025 was approximately HK\$94.5 million, representing a decrease of approximately HK\$6.3 million or 6.3% from approximately HK\$100.8 million for the year ended 31 March 2024.

The gross profit margins of the Group for the years ended 31 March 2025 and 2024 were approximately 5.1% and 6.4% respectively. As mentioned above, the decrease in gross profit margin was mainly due to the decrease in profit margin of the business as a result of the intensified market competition in recent years. Meanwhile, the initial investment cost increased due to the launch of multiple contracts in a short period of time.

## **Administrative expenses**

The administrative expenses of the Group for the years ended 31 March 2025 and 2024 were approximately HK\$82.2 million and HK\$87.7 million respectively, representing a decrease of approximately HK\$5.5 million or 6.3%. The decrease was mainly due to the implementation of cost control measures to reduce unnecessary expenses during the Year.

## **Finance costs**

The finance costs represented primarily the interest expenses on bank and other borrowings with floating interest rates. The finance costs amounted to approximately HK\$0.8 million and HK\$3.0 million for the years ended 31 March 2025 and 2024 respectively, representing approximately 0.04% and 0.2% of the Group's total revenue respectively. The decline in finance cost was attributed to the reduction in external borrowing during the Year.

## **Profit for the year attributable to equity holders of the Company**

The Group's profit for the year attributable to equity holders of the Company for the years ended 31 March 2025 and 2024 were approximately HK\$16.0 million and HK\$17.3 million respectively, representing a decrease of approximately HK\$1.3 million or 7.6%. The decrease was mainly due to combined effect of the factors described above.

## **Liquidity and financial resources**

The Group has funded the liquidity and capital requirements primarily through cash inflows from operating activities. As at 31 March 2025, the capital structure of the Group consisted of equity of approximately HK\$607.8 million (31 March 2024: HK\$596.3 million), bank and other borrowings of approximately HK\$8.0 million (31 March 2024: HK\$17.0 million) and lease liabilities of approximately HK\$2.2 million (31 March 2024: HK\$8.7 million).

## **Account receivables**

As at 31 March 2025, the Group had net account receivables of approximately HK\$422.2 million (31 March 2024: HK\$260.0 million) which increased in line with the increase in revenue. The Group does not expect any material difficulty in collecting payment from such customers and will continue to improve credit and collections management.

## **Cash position and fund available**

During the year ended 31 March 2025, the Group maintained a healthy liquidity position, with working capital being financed by operating cash flows. As at 31 March 2025, the Group's cash and cash equivalents were approximately HK\$302.6 million (31 March 2024: HK\$427.0 million). The Group pledged bank deposits of approximately HK\$29.3 million (31 March 2024: HK\$30.5 million) to secure the Group's banking facilities. As at 31 March 2025, the current ratio of the Group was approximately 2.6 times (31 March 2024: 3.2 times).

## **Accruals, other payables and provisions**

As at 31 March 2025, the Group had total accruals, other payables and provisions of approximately HK\$266.0 million (31 March 2024: HK\$189.6 million). The increase was mainly due to the increase in accrued staff costs and provision which was in line with the increase in revenue.



## **Bank and other borrowings**

As at 31 March 2025, the Group had total bank and other borrowings of approximately HK\$8.0 million (31 March 2024: HK\$17.0 million). As at 31 March 2025, the Group had aggregate banking facilities, which comprised of overdraft and revolving loan facilities, factoring facility and letter of guarantee, of approximately HK\$1,357.0 million, of which approximately HK\$1,100.4 million was unutilised.

## **Gearing ratio**

As at 31 March 2025, the Group's gearing ratio was approximately 1.7% (31 March 2024: 4.3%), calculated by dividing total debts by total equity and multiplying the resulting value by 100%. The Group's total debts included interest-bearing bank and other borrowings and lease liabilities.

## **Foreign currency exposure**

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the Group's entities located in Hong Kong. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## **Capital expenditure**

The Group incurred total capital expenditures of approximately HK\$59.5 million and HK\$20.5 million respectively for the years ended 31 March 2025 and 2024 for additions of property, plant and equipment. The increase in capital expenditure was primarily due to the acquisition of motor vehicles for rendering environmental hygiene service and was mainly funded by cash generated from operating activities.

## **Capital Commitment**

As at 31 March 2025, the Group had no capital commitment (31 March 2024: nil).

## **Charges on the Group's Assets**

As at 31 March 2025 and 2024, the Group pledged certain property, plant and equipment, bank deposits, right-of-use assets and financial assets at fair value through profit or loss with an aggregate carrying amount of HK\$61.0 million (31 March 2024: HK\$74.5 million) to secure bank and other borrowings, performance bonds relating to deposits for cleaning, janitorial and other related service projects, and lease liabilities.

## **Contingent Liabilities**

### **(a) *Performance bonds***

At 31 March 2025, there were contingent liabilities in respect of performance bonds relating to deposits for cleaning, janitorial and other related service projects and an employment compensation insurance contract issued by banks for the Group amounting to approximately HK\$257,080,000 (2024: HK\$290,110,000). The performance bonds were secured by the Group's pledged bank deposits and financial assets at FVTPL and were guaranteed by the Company.

### **(b) *Litigation***

As at 31 March 2025, the Group has been involved in several on-going litigations and claims concerning personal injuries of its existing or former employees and third parties with estimated claim amounts, net of estimated insurance deductibles, of approximately HK\$2,956,000 (2024: HK\$3,372,000). In the opinion of the directors of the Company, the provision of insurance deductibles had been provided for based on insurance policies. The estimated costs and expenses above the insurance deductibles are expected to be adequately covered by the Group's insurance policies.

## **ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT HELD**

During the year ended 31 March 2025, the Group did not make any material acquisition and disposal nor hold any significant investment.

## **EVENTS AFTER THE REPORTING PERIOD**

The Group did not have any material events after the end of the reporting period.

## **HUMAN RESOURCES**

As at 31 March 2025, the Group had over 10,000 employees due to the large number of successful project bids and a significant increase in business volume (31 March 2024: over 4,700 employees), including both full time and part time employees. Remuneration is determined with reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and reward for their contributions. In addition, the Group conducted various training activities, such as training on operational safety, office and management skills, to improve the front-end quality of services and office support during the year ended 31 March 2025.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 3 September 2019 with written terms of reference in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Audit Committee comprises three independent non-executive directors of the Company, namely Mr. FAN Chiu Tat Martin, Ms. RU Tingting and Mr. LEUNG Siu Hong. Mr. FAN Chiu Tat Martin serves as the chairman of the Audit Committee. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditor, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee and management team of the Company had discussed and reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 March 2025.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of 0.87 HK cent per share, in an aggregate amount of HK\$4,350,000, for the year ended 31 March 2025 (2024: 0.94 HK cent per share, in an aggregate amount of HK\$4,700,000). Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting, the final dividend will be payable on 10 October 2025 to those shareholders whose names appear on the register of members of the Company at the close of business on 22 September 2025, being the record date for determining the entitlements to the final dividend.

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

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

## **CORPORATE GOVERNANCE CODE**

Throughout the year ended 31 March 2025, the Company has complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this annual results announcement have been agreed by the Group's auditor, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2025. The work performed by RSM Hong Kong 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Hong Kong in this annual results announcement.

## **ANNUAL GENERAL MEETING**

The 2025 annual general meeting (the "AGM") will be held on Thursday, 4 September 2025. Notice of the AGM will be published and issued to the shareholders of the Company in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of determining the eligibility of the shareholders to attend, speak and vote at the AGM (or at any adjournment thereof), and the eligible shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed as appropriate as set out below:

- (i) For determining the shareholders' eligibility to attend, speak and vote at the AGM:

Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar and transfer office	At 4:30 p.m. on Thursday, 28 August 2025
Closure of the register of members	Friday, 29 August 2025 to Thursday, 4 September 2025 (both days inclusive)

- (ii) Subject to the passing of the proposal for distributing the final dividend at the AGM, for determining the eligible shareholders' entitlement to the proposed final dividend:

Latest time to lodge transfer documents for registration with the Company's Hong Kong branch share registrar and transfer office	At 4:30 p.m. on Thursday, 18 September 2025
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Record date	Monday, 22 September 2025
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Closure of the register of members	Friday, 19 September 2025 to Monday, 22 September 2025 (both days inclusive)
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For the above purposes, all properly completed transfer forms accompanied by the relevant share certificate(s) must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than the aforementioned latest time.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my gratitude to the shareholders, investors and business partners' support and trust, and all employees for their dedication and hard work.

By order of the Board  
**Hong Kong Johnson Holdings Co., Ltd.**  
**XIE Hui**  
*Chairman*

Hong Kong, 26 June 2025

*As at the date of this announcement, the executive director of the Company is Dr. LI Zhuang (Vice President); the non-executive directors of the Company are Dr. XIE Hui (Chairman), Mr. YAN Jun, Ms. LI Yanmei, Mr. WU Zhiyong, Ms. TANG Yuyun and Mr. LU Xuefang; and the independent non-executive directors of the Company are Mr. FAN Chiu Tat Martin, Dr. GUAN Yuyan, Mr. HONG Kam Le, Mr. LEUNG Siu Hong and Ms. RU Tingting.*