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Affluent Foundation Holdings Limited **俊裕地基集團有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1757)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

The board (“**Board**”) of directors (the “**Directors**”) of Affluent Foundation Holdings Limited (the “**Company**”) is pleased to announce the consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025 (the “**Relevant Period**”) as follows:

FINANCIAL HIGHLIGHTS

1. Revenue was approximately HK\$240.8 million for the Relevant Period, representing an increase of approximately 20.8% as compared with the same for the year ended 31 March 2024.
2. Gross profit was approximately HK\$8.5 million for the Relevant Period, whereas gross profit was approximately HK\$4.6 million for the year ended 31 March 2024.
3. Profit and total comprehensive income attributable to equity holders of the Company was approximately HK\$1.1 million for the Relevant Period (2024: approximately HK\$2.4 million).
4. Basic earnings per share amounted to approximately HK0.09 cents for the Relevant Period (2024: approximately HK0.20 cents).
5. The Board did not recommend the payment of final dividend for the Relevant Period (2024: nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	3	240,775	199,344
Construction contracts costs		(232,291)	(194,775)
Gross profit		8,484	4,569
Other income	4	12,975	15,549
Administrative expenses		(19,361)	(21,456)
Reversal of expected credit loss, net		259	3,067
Finance costs	5	(1,581)	(1,486)
Profit before income tax	6	776	243
Income tax credit	7	277	2,179
Profit and total comprehensive income for the year attributable to equity holders of the Company		1,053	2,422
		HK cents	HK cents
Earnings per share attributable to equity holders of the Company			
Basic and diluted	9	0.09	0.20

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		21,864	24,390
Right-of-use assets		3,353	5,177
Deposit and prepayments	10	440	–
		25,657	29,567
Current assets			
Trade and other receivables	10	96,494	104,098
Contract assets		93,243	86,549
Cash and bank balances		5,749	3,869
		195,486	194,516
Current liabilities			
Bank overdraft		1,976	–
Trade and other payables	11	82,707	81,702
Amount due to a director	12	33,834	9,623
Lease liabilities		3,033	3,250
Contract liabilities		6,369	6,870
		127,919	101,445
Net current assets		67,567	93,071
Total assets less current liabilities		93,224	122,638
Non-current liabilities			
Amount due to a director	12	–	29,483
Lease liabilities		392	1,916
Long service payment obligation		817	–
Deferred tax liabilities		2,877	3,154
		4,086	34,553
Net assets		89,138	88,085
EQUITY			
Share capital		12,000	12,000
Reserves		77,138	76,085
Equity attributable to equity holders of the Company		89,138	88,085

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 2 June 2017. The address of the Company's registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's principal place of business is Unit 903–905, 9/F, The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company, and its subsidiaries are principally engaged as subcontractor in the provision of services related to foundation works in Hong Kong.

As at 31 March 2025 and 2024, the Company's immediate and ultimate holding company is Oriental Castle Group Limited (“**Oriental Castle**”), a company incorporated in the British Virgin Islands (the “**BVI**”) and owned by Mr. Chan Siu Cheong (“**Mr. Chan**”) and Ms. Chu Wai Ling (“**Ms. Chu**”). Mr. Chan, Ms. Chu and Oriental Castle are collectively referred to as the controlling shareholders of the Company.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 7 June 2018.

1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard (“**HKFRSs**”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost basis. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**” or “**HKD**”), and all values are rounded to the nearest thousand (HK\$'000), except where otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRS(s)**”) AND CHANGES IN OTHER ACCOUNTING POLICIES

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (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.

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:

Amendment to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendment to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the application of the amendments to HKFRSs is not expected to have material impact to the Group's consolidated financial statements in the future.

HKFRS 18 Presentation and Disclosure in Financial Statements ("HKFRS 18")

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* ("**HKAS 1**"). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Statement of Cash Flows* ("**HKAS 7**"). Minor amendments to HKAS 7 and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 is expected to affect the presentation of the statement of profit or loss and disclosures in the future consolidated financial statements but is not expected to have material impact on the Group's consolidated financial positions and performance. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's future consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

All revenue represents the contracting revenue arising from provision of services related to foundation works and is recognised over time.

The chief operating decision-maker has been identified as the executive directors of the Company. The Directors regard the Group's business of foundation works as a single operating and reportable segment and review the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented.

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

The disaggregation of revenue from contracts with customers is as follows:

	2025 HK\$'000	2024 HK\$'000
By types of projects:		
Private sector projects	3,797	53,752
Public sector projects	236,978	145,592
	<u>240,775</u>	<u>199,344</u>

4. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
(Loss)/gain on disposal of property, plant and equipment, net	(61)	303
Income from sales of construction wastes	9,648	5,527
Machinery rental and transportation income	2,579	6,112
Sundry income	809	3,607
	<u>12,975</u>	<u>15,549</u>

5. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Finance charge on lease liabilities	227	128
Effective interest in amount due to a director	1,354	1,358
	<u>1,581</u>	<u>1,486</u>

6. PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
(a) Staff costs (including directors' emoluments)		
– Salaries, wages and other benefits	83,908	70,758
– Contributions to defined contribution retirement plans	1,656	1,372
– Long service payment obligation	817	–
	<u>86,381</u>	<u>72,130</u>
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	4,784	4,987
– Right-of-use assets	3,613	2,408
Administrative expenses		
– Owned assets	423	492
– Right-of-use assets	427	455
	<u>9,247</u>	<u>8,342</u>
Subcontracting charges (included in direct costs)	52,251	69,303
Auditor's remuneration	750	750
(Reversal of impairment loss)/impairment loss under expected credit loss model, net		
– Trade and other receivables	(597)	(18)
– Contract assets	338	(3,049)
	<u>338</u>	<u>(3,049)</u>

7. INCOME TAX CREDIT

	2025 HK\$'000	2024 HK\$'000
Provision for Hong Kong Profits Tax		
– Over provision in prior years	–	(1,789)
Deferred tax		
– Current year	(277)	(390)
	<u>(277)</u>	<u>(390)</u>
Income tax credit	<u>(277)</u>	<u>(2,179)</u>

8. DIVIDENDS

The Board did not recommend the payment of final dividend for the year ended 31 March 2025 (2024: nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to equity holders of the Company is based on the following:

	2025	2024
Earnings		
Profit for the year attributable to equity holders of the Company (<i>in HK\$'000</i>)	<u>1,053</u>	<u>2,422</u>
Number of shares		
Weighted average number of ordinary shares	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Basic earnings per share (<i>in HK cents</i>)	<u>0.09</u>	<u>0.20</u>

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding during the years ended 31 March 2025 and 2024 and therefore, diluted earnings per share equals to basic earnings per share.

10. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	21,345	26,358
Less: ECL allowance	<u>(368)</u>	<u>(460)</u>
	<u>20,977</u>	<u>25,898</u>
Other receivables and prepayments	2,333	1,391
Paid in advance to sub-contractors	63,862	68,074
Occupational injury receivables	8,563	7,867
Utility and other deposits	1,240	1,414
Less: ECL allowance	<u>(41)</u>	<u>(546)</u>
	<u>75,957</u>	<u>78,200</u>
	<u>96,934</u>	<u>104,098</u>
Analysis as		
Current	96,494	104,098
Non-current	<u>440</u>	<u>—</u>
	<u>96,934</u>	<u>104,098</u>

Based on the invoice dates, the ageing analysis of the trade receivables was as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	12,059	14,634
31–60 days	9,186	11,510
61–90 days	–	–
Over 90 days	100	214
	<u>21,345</u>	<u>26,358</u>

11. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	41,998	34,563
Retention payables	25,746	23,951
Accruals and other payables	14,963	23,188
	<u>82,707</u>	<u>81,702</u>

The ageing analysis of trade payables based on the invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	11,213	5,953
31–60 days	4,856	6,991
61–90 days	1,576	5,052
Over 90 days	24,353	16,567
	<u>41,998</u>	<u>34,563</u>

12. AMOUNT DUE TO A DIRECTOR

	2025 HK\$'000	2024 HK\$'000
Mr. Chan		
Carrying amount repayable (<i>Note</i>)		
Within one year	33,834	9,623
In the second year	–	29,483
	<u>33,834</u>	<u>39,106</u>
Less:		
– Amount due within one year	<u>(33,834)</u>	<u>(9,623)</u>
Carrying amount shown under non-current liabilities	<u>–</u>	<u>29,483</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a subcontractor engaged in the provision of services related to foundation works in Hong Kong including excavation and lateral support works, pile caps construction, and other services, such as demolition works, underground drainage works, earthworks and structural steelworks. To a lesser extent, the Group is also engaged in leasing of machineries to other construction companies.

The Group reported net profit of approximately HK\$1.1 million during the Relevant Period, representing a decrease of approximately HK\$1.3 million for the corresponding period was mainly due to combined result of: (i) a decrease in the reversal of expected credit loss (“ECL”), which amounted to approximately HK\$259,000 for the Relevant Period, as compared to approximately HK\$3.1 million for the corresponding period in 2024; (ii) a decrease in other income, mainly due to a drop in machinery rental and transportation income, which declined by approximately HK\$3.5 million during the Relevant Period; and (iii) an increase in gross profit from approximately HK\$4.6 million for the year ended 31 March 2024 to approximately HK\$8.5 million during the Relevant Period.

The Group has unrecognised contract sum of more than HK\$361.5 million on hand as at 31 March 2025. The Board is cautiously optimistic and believes the Group’s financial performance could keep stable and even make a greater profit in future years.

FINANCIAL REVIEW

During the Relevant Period, the Group had been awarded 9 new contracts, with an aggregate original contract sum of approximately HK\$325.1 million and had completed 4 projects with an aggregate original contract sum of approximately HK\$391.0 million.

As at 31 March 2025, the Group had 24 projects on hand (including projects in progress) with a total original contract sum of approximately HK\$1.2 billion.

Revenue

The revenue from foundation works of the Group for the Relevant Period amounted to approximately HK\$240.8 million, representing an increase of approximately HK\$41.5 million or 20.8% as compared to approximately HK\$199.3 million for the year ended 31 March 2024. The increase was primarily because certain sizable projects located in Fanling, Tuen Mun and Tung Chung were in full swing during the Relevant Period.

Gross profit and gross profit margin

The gross profit of the Group for the Relevant Period amounted to approximately HK\$8.5 million (gross profit margin 3.5%), representing an increase of approximately HK\$3.9 million or 85.7%, compared to approximately HK\$4.6 million (gross profit margin 2.3%) for the year ended 31 March 2024. The increase in gross profit and gross profit margin was primarily due to the following reasons:

- (a) the Fanling project (HK\$13.6 million revenue contribution) and Tuen Mun project (HK\$35.6 million revenue contribution) involved design-integrated foundation works, which typically command better profitability due to reduced subcontracting costs and optimized resource allocation. These projects contributed higher-margin revenue streams, offsetting lower-margin contracts from prior years; and
- (b) the Group has been more selective in choosing projects with higher profit margin.

The Group prices its services based on various factors, including but not limited to the scope of works and the complexity of the projects. In this regard, the Group's profitability depends on the nature of projects engaged by the Group.

Other income

The other income of the Group for the Relevant Period amounted to approximately HK\$13.0 million, representing a decrease of approximately HK\$2.5 million or 16.6% as compared to approximately HK\$15.5 million for the year ended 31 March 2024. The decrease was primarily due to the decrease of machinery rental and transportation income during the Relevant Period.

Administrative expenses

The administrative expenses of the Group for the Relevant Period amounted to approximately HK\$19.4 million, representing a decrease of approximately HK\$2.1 million or 9.8% as compared to approximately HK\$21.5 million for the year ended 31 March 2024. The decrease was primarily due to the decrease of staff welfare during the Relevant Period.

Reversal of expected credit loss, net

The reversal of ECL after the assessment performed for the Relevant Period amounted to approximately HK\$259,000, representing a decrease of approximately HK\$2.8 million as compared to the reversal of ECL after the assessment performed for the year ended 31 March 2024 of approximately HK\$3.1 million, which was assessed annually.

Finance costs

The finance costs of the Group remained relatively stable at approximately HK\$1.6 million and HK\$1.5 million for the Relevant Period and the year ended 31 March 2024, respectively.

Profit and total comprehensive income attributable to equity holders of the Company

The Group reported profit and total comprehensive income attributable to equity holders of the Company of approximately HK\$1.1 million for the Relevant Period representing a decrease of approximately HK\$1.3 million for the year ended 31 March 2024. The reasons for the increase were mainly attributable to the combined effect of reasons discussed in the paragraph headed “Business review and outlook” above.

LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders and cash inflows from operating activities.

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 7 June 2018 and there has been no change in the capital structure of the Group since then.

As at 31 March 2025 and 2024, the Company’s issued share capital was HK\$12 million and the number of its issued ordinary shares was 1,200,000,000 of HK\$0.01 each.

As at 31 March 2025, the Group had a total cash and cash equivalents of approximately HK\$3.8 million (2024: approximately HK\$3.9 million). The amounts of cash and cash equivalents had been remained steady throughout the Relevant Period.

As at 31 March 2025, the gearing ratio of the Group, calculated by the total debts (defined as the sum of amount due to a director and lease liabilities) divided by the total equity was approximately 41.8% (2024: approximately 50.3%). The decrease was primarily due to the decrease of total debts of approximately HK\$7.1 million during the Relevant Period.

TREASURY POLICY

The Group continues to manage its financial position carefully and maintains conservative policies in cash and financial management. The Board closely monitors the Group’s liquidity position to ensure that the Group can meet its funding requirements for business development.

EXPOSURE TO FOREIGN EXCHANGE RATE RISKS

As the Group’s business were located in Hong Kong and almost all of the revenue and transactions arising from its operations were settled in Hong Kong dollars for the Relevant Period, the Board was of the view that the Group’s foreign exchange rate risks were insignificant. Thus, the Group had not entered into any derivative contracts to hedge against the foreign exchange rate risk during the Relevant Period.

CAPITAL EXPENDITURE

During the Relevant Period, the Group invested approximately HK\$2.9 million on the acquisition of plant and machinery and furniture, fixtures and equipment. Capital expenditure was principally funded by internal resources.

CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Capital expenditure in respect of the acquisition of machinery contracted for but not provided in the consolidated financial statements	<u>600</u>	<u>–</u>

CONTINGENT LIABILITIES

As at 31 March 2025, The Group had contingent liabilities in respect of the following:

- (a) The Group, as a subcontractor is named as defendant in several claims, lawsuits, and potential claims. These mainly relate to employee compensation, personal injury, and workplace safety issues. The directors of the Company have carefully considered each case and determined that the likelihood of any financial outflows to settle these legal claims is remote. This is because these claims are either fully covered by insurance or are immaterial to the overall financial position of the Group. As a result, the Company has not found it necessary to record any provisions for these contingent liabilities arising from the ongoing litigations.
- (b) The Group has been named defendants in a lawsuit arising in the ordinary course of business with a subcontractors. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account the existing legal documents and advice of the legal advisor of the Company. No provision has been made for those pending lawsuits with a compensation amount of HK\$26 million (2024: nil) related mainly to disputes with the subcontractors, as the outcome of the lawsuits is unable to ascertain or management believes the outflow of resources is not probable/material.

In the opinion of the management of the Group, saved as disclosed above, the Group did not have any other significant contingent liabilities at the end of the reporting period.

EVENTS AFTER THE REPORTING PERIOD

There is no significant events occurred subsequent to 31 March 2025 and up to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Relevant Period, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT HELD

During the Relevant Period, the Group had no significant investment held.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As at 31 March 2025, the Group does not have plans for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group employed a total of 115 employees (including executive Directors and independent non-executive Directors), as compared to a total of 113 employees as at 31 March 2024. Total staff costs which included the Directors' emoluments for the Relevant Period were approximately HK\$86.4 million (2024: approximately HK\$72.1 million). The salary and benefit level of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts annual review on salary increase, discretionary bonuses and promotions based on the performance of each employee.

The emoluments of the Directors are decided by the Board after recommendation from the remuneration committee of the Company, having considered the factors such as the Group's financial performance and the individual performance of the Directors, etc..

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 14 May 2018 as an incentive to Directors and eligible employees.

During the Relevant Period, the Group had not experienced any significant problems with its employees due to labour disputes nor had it experienced any difficulty in the recruitment and retention of experienced staffs.

FINAL DIVIDEND

The Board did not recommend the payment of final dividend for the Relevant Period (2024: nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own corporate government code. The Company has complied with the CG Code during the Relevant Period with the exception of code provision C.2.1 as explained below.

According to code provision C.2.1 of the CG Code, the roles of the chairman of the Company (the “**Chairman**”) and the chief executive officer of the Company (the “**Chief Executive Officer**”) should be separate and performed by different individuals. Mr. Chan is the Chairman and the Chief Executive Officer of the Company. In view of the in-depth knowledge and substantial experience of Mr. Chan in the operations of the Group and his solid experience in foundation works, the Board believes it is in the best interests of the Company for Mr. Chan to assume both the roles of the Chairman and the Chief Executive Officer. In order to maintain good corporate governance and fully comply with the code provision C.2.1 of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of Chairman and Chief Executive Officer separately.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by the Directors.

The Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Company, all the Directors have confirmed to the Company that they have fully complied with the required standard set out in the Model Code during the Relevant Period and up to the date of this announcement.

SHARE OPTION SCHEME

The principal terms of the Share Option Scheme are summarised in Appendix V to the Prospectus. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 14 May 2018, and there was no outstanding share option as at 31 March 2025.

COMPETING INTERESTS

As at 31 March 2025, the Directors were not aware of any interest in a business of the Directors or any of their respective close associates (as defined in the Listing Rules) apart from the business of the Group, that competed or was likely to compete, either directly or indirectly, with the business of the Group.

ANNUAL GENERAL MEETING (“AGM”)

The AGM will be held on Wednesday, 20 August 2025. The notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules and the articles of association of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The AGM is scheduled to be held on Wednesday, 20 August 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 15 August 2025 to Tuesday, 19 August 2025 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company’s share registrar, 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 Thursday, 14 August 2025.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Relevant Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company maintained a sufficient amount of public float for its shares as required under the Listing Rules during the Relevant Period and up to the date of this announcement.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company (the “**Audit Committee**”) consists of three members who are all independent non-executive Directors, namely, Mr. Ho Chi Wai, Mr. Cheung Kwok Yan Wilfred and Mr. Lau Leong Ho. Mr. Ho Chi Wai is the chairman of the Audit Committee. The Company’s annual results for the Relevant Period have been reviewed by the Audit Committee, which takes the view that the applicable accounting standards and requirements as well as the Listing Rules have been complied with by the Company and that adequate disclosures have been made. The Audit Committee has met the external auditors of the Company, SFAI (HK) CPA Limited (“**SFAI (HK)**”, formerly known as Yongtuo Fuson CPA Limited), and reviewed the Group’s results for the Relevant Period.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT 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 Relevant Period as set out in this announcement have been agreed by the Company's external auditor, SFAI (HK), to the amounts set out in the Group's draft consolidated financial statements for the Relevant Period. The work performed by SFAI (HK) 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 SFAI (HK) on this announcement.

GENERAL

A circular containing, *inter alia*, the information required by the Listing Rules, together with the notice of the upcoming AGM, will be despatched to the shareholders of the Company in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the Company's website at <http://www.hcho.com.hk> and the website of the Stock Exchange at www.hkexnews.hk.

The annual report of the Company for the Relevant Period will be despatched to shareholders and published on the respective websites of the Company and the Stock Exchange in due course.

By order of the Board
Affluent Foundation Holdings Limited
Chan Siu Cheong
Chairman

Hong Kong, 30 June 2025

As at the date of this announcement, the executive Directors are Mr. Chan Siu Cheong, Mr. Sin Ka Pong and Ms. Chan Mei Po, and the independent non-executive Directors are Mr. Ho Chi Wai, Mr. Cheung Kwok Yan Wilfred and Mr. Lau Leong Ho.