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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Lotus Horizon Holdings Limited (the “**Company**”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the six months ended 30 September 2025, together with comparative figures for the corresponding period as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue	119,985	130,674
Gross profit	13,879	13,376
Profit before taxation	1,671	2,254
Profit for the period	1,295	2,019
Earnings per share, basic (<i>HK cents</i>)	0.06	0.10

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2025.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	119,985	130,674
Cost of sales		(106,106)	(117,298)
Gross profit		13,879	13,376
Other income, gains and losses, net	4	555	1,614
Net impairment losses recognised under expected credit loss model		(199)	(82)
Operating and administrative expenses		(12,414)	(12,573)
Finance costs		(150)	(81)
Profit before taxation	5	1,671	2,254
Income tax expense	6	(376)	(235)
Profit and total comprehensive income for the period		1,295	2,019
Earnings per share, basic (HK cents)	8	0.06	0.10

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2025

		As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property and equipment	9	6,766	2,743
Interests in a joint venture		1,028	–
Rental deposits	10	490	–
Deferred tax assets		2,858	3,234
		<u>11,142</u>	<u>5,977</u>
Current assets			
Trade and other receivables	10	22,593	20,313
Contract assets	11	82,379	68,106
Pledged bank deposit		3,000	3,000
Bank balances and cash		48,969	63,372
		<u>156,941</u>	<u>154,791</u>
Current liabilities			
Trade and other payables	12	26,066	24,985
Contract liabilities	11	6,139	5,557
Lease liabilities		1,442	1,071
		<u>33,647</u>	<u>31,613</u>
Net current assets		<u>123,294</u>	<u>123,178</u>
Total assets less current liabilities		<u>134,436</u>	<u>129,155</u>
Non-current liabilities			
Lease liabilities		2,939	192
Other payables	12	1,240	–
		<u>4,179</u>	<u>192</u>
Net assets		<u><u>130,257</u></u>	<u><u>128,963</u></u>
Capital and reserves			
Share capital	13	20,000	20,000
Reserves		110,257	108,963
Total equity		<u><u>130,257</u></u>	<u><u>128,963</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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 (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the Company’s registered office and the principal place of business of the Company is located at Unit 2102–2107, 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 Group are the provision of design, supply and installation services for façade works and building metal finishing works.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2025 are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousands (HK\$’000), except when otherwise stated.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The unaudited condensed consolidated financial statements for the six months ended 30 September 2025 and notes thereon do not include all of the information required for full set of financial statements and should be read in conjunction with the annual financial statements for the year ended 31 March 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”, together with HKAS and Interpretations, collectively referred to as “**HKFRS**”) issued by the HKICPA.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2025 have not been audited or reviewed by Company’s external auditors, but have been reviewed by the audit committee of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group’s consolidated financial statements for the year ended 31 March 2025.

Application of amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 April 2025 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

3. REVENUE

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 period.

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Recognised over time		
Design, supply and installation services for		
– façade works	95,368	86,105
– building metal finishing works	24,617	44,569
	119,985	130,674

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 an 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 period of the Group as a whole to make decisions about resource 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 is generated from customers located in Hong Kong and all of the Group's non-current assets (excluding deferred tax assets) are located in Hong Kong.

4. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	510	1,614
Gain arising from early termination of a lease contract	51	–
Net exchange loss	(6)	–
	<u>555</u>	<u>1,614</u>

5. PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging:		
Directors' remunerations		
Fee	330	307
Other emoluments	<u>1,629</u>	<u>2,209</u>
	1,959	2,516
Other staff costs		
Salaries and other benefits	15,073	15,268
Retirement benefit scheme contributions for other staff	<u>438</u>	<u>439</u>
	17,470	18,223
Total staff costs	<u>17,470</u>	<u>18,223</u>
Depreciation on property and equipment	<u>1,574</u>	<u>1,839</u>

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The income tax expense comprises:		
Deferred tax expense	<u>376</u>	<u>235</u>

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of profits of one qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 of that qualifying group entity will be taxed at 16.5%. Accordingly, Hong Kong Profits Tax of the qualifying entity is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime continue to be taxed at the flat rate of 16.5%.

7. DIVIDENDS

For the six months ended 30 September 2025, the Board has resolved not to declare any interim dividend (six months ended 30 September 2024: Nil).

8. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period for the purpose of calculating basic earnings per share	1,295	2,019
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,000,000	2,000,000

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

9. PROPERTY AND EQUIPMENT

During the six months ended 30 September 2025, the addition of right-of-use assets, comprising new leases for the principal place of business in Hong Kong and office equipment, amounted to approximately HK\$5.4 million (six months ended 30 September 2024: Nil), and the early termination of a lease contract for office equipment at the aggregate carrying value amounted to approximately HK\$0.4 million (six months ended 30 September 2024: Nil).

Besides, the Group acquired leasehold improvements at a cost of approximately HK\$0.6 million during the six months ended 30 September 2025 (six months ended 30 September 2024: acquired motor vehicles at a cost of approximately HK\$1.5 million).

10. TRADE AND OTHER RECEIVABLES

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Trade receivables	23,664	18,363
Less: Allowances for impairment	<u>(3,459)</u>	<u>(3,392)</u>
	<u>20,205</u>	<u>14,971</u>
Rental deposits	490	728
Deposits and prepayments	2,288	4,020
Other receivables	<u>100</u>	<u>594</u>
	23,083	20,313
Less: Rental deposits classified as non-current portion	<u>(490)</u>	<u>–</u>
Current portion of trade and other receivables	<u><u>22,593</u></u>	<u><u>20,313</u></u>

Trade receivables represent amounts receivable for work certified after deduction of retention money by customers.

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:

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
0 to 30 days	5,982	6,623
31 to 60 days	6,748	7,100
61 to 90 days	7,117	1,248
Over 90 days	<u>358</u>	<u>–</u>
	<u><u>20,205</u></u>	<u><u>14,971</u></u>

Trade receivables

In determining the expected credit loss (“ECL”), the management of the Group has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Under HKFRS 9, loss allowances for trade receivables have been measured at an amount equal to lifetime ECL under simplified approach.

Other receivables (including refundable rental deposits)

For purpose of impairment assessment, other receivables (including refundable rental deposits) are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on other receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Analysed for reporting purposes, on a net basis for each respective contract:		
Contract assets		
– façade works	52,409	55,425
– building metal finishing works	34,848	17,427
	<u>87,257</u>	<u>72,852</u>
Less: Allowances for impairment		
– façade works	(4,721)	(4,714)
– building metal finishing works	(157)	(32)
	<u>(4,878)</u>	<u>(4,746)</u>
	<u><u>82,379</u></u>	<u><u>68,106</u></u>
Contract assets, net of allowances for impairment		
– façade works	47,688	50,711
– building metal finishing works	34,691	17,395
	<u>82,379</u>	<u>68,106</u>
	<u><u>82,379</u></u>	<u><u>68,106</u></u>
Contract liabilities		
– façade works	(5,435)	(2,234)
– building metal finishing works	(704)	(3,323)
	<u>(6,139)</u>	<u>(5,557)</u>
	<u><u>(6,139)</u></u>	<u><u>(5,557)</u></u>

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Analysed on a gross basis for each respective contract:		
Contract assets		
– façade works	57,249	57,317
– building metal finishing works	<u>35,017</u>	<u>19,031</u>
	92,266	76,348
Less: Allowances for impairment		
– façade works	(4,721)	(4,714)
– building metal finishing works	<u>(157)</u>	<u>(32)</u>
	<u>(4,878)</u>	<u>(4,746)</u>
	<u>87,388</u>	<u>71,602</u>
Contract assets, net of allowances for impairment		
– façade works	52,528	52,603
– building metal finishing works	<u>34,860</u>	<u>18,999</u>
	<u>87,388</u>	<u>71,602</u>
Contract liabilities		
– façade works	(10,276)	(4,126)
– building metal finishing works	<u>(872)</u>	<u>(4,927)</u>
	<u>(11,148)</u>	<u>(9,053)</u>

Contract assets

Contract assets arise when the Group has right to consideration for completion of design, supply and installation of façade works and building metal finishing works and not yet billed under the relevant contracts, and its right is conditioned on factors other than passage of time. Any amount previously recognised as a contract asset is reclassified to trade receivables when such right becomes unconditional other than the passage of time.

In addition, contract assets arise when customers withhold certain certified amounts payable to the Group as retention money to secure the due performance of the contracts.

Retention receivables, included in contract assets, represent the money withheld by the customers to secure the due performance of the contracts. The customers normally withhold 10% of the certified amount payable to the Group as retention money (accumulated up to maximum 5% of contract sum). 50% of retention receivable is normally recoverable upon the issuance of the certificate of practical completion by the architects for the completion of respective projects. The remaining 50% is recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 1 to 2 years from the date of completion of respective projects. Any amount of retention receivables previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiceable to the customer. The retention money does not have any significant financing component for financing benefit. The amounts are unsecured and interest-free.

Contract liabilities

Contract liabilities primarily relate to the Group's obligation to transfer project works services to customers for which the Group has received consideration from the customers in advances. The contract liabilities as at 30 September 2025 and 31 March 2025 will be recognised as revenue for the year ending 31 March 2026.

Changes of contract assets and contract liabilities during the period were mainly due to (i) changes on progress of contract works when the Group satisfies the performance obligations under the contracts or when the relevant services were completed but not yet been certified by architects, surveyors or other representatives appointed by the customers at the end of the reporting period; and (ii) reclassification to trade receivables when the Group has unconditional right to the consideration.

As at 30 September 2025, the carrying amounts of contract assets, on a gross basis, include retention receivables, net of loss allowances, held by customers for contract works amounting to HK\$47,075,000 (31 March 2025: HK\$37,854,000).

12. TRADE AND OTHER PAYABLES

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Trade payables	15,178	16,509
Retention payables	6,634	5,359
Provision for reinstatement cost	1,240	750
Other payables	35	14
Accrued expenses	4,219	2,353
	<u>27,306</u>	<u>24,985</u>
Less: provision classified as non-current portion	<u>(1,240)</u>	–
Current portion of trade and other payables	<u><u>26,066</u></u>	<u><u>24,985</u></u>

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

	As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
0 to 30 days	13,070	16,315
31 to 60 days	2,108	194
	15,178	16,509

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

Retention payables to subcontractors of contract works are interest-free and payable by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts for a period ranging from 1 to 2 years after completion of the relevant works.

13. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary share of HK\$0.01 each		
Authorised:		
At 1 April 2024, 30 September 2024, 1 April 2025 and 30 September 2025	10,000,000	100,000
Issued and fully paid:		
At 1 April 2024, 30 September 2024, 1 April 2025 and 30 September 2025	2,000,000	20,000

14. PERFORMANCE GUARANTEES

As at 30 September 2025, surety bonds of an aggregate balance of HK\$24,012,000 (31 March 2025: HK\$20,735,000) 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 (31 March 2025: Nil) as at 30 September 2025.

As at 30 September 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 amounted to HK\$22,830,000 (31 March 2025: 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.

15. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere in the unaudited condensed consolidated financial statements, the Group entered into the following related party transactions during the reporting period:

The remuneration of key management personnel, including executive Directors of the Company and other key executives of the Group, during the period is as follows:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	6,612	4,463
Retirement benefit scheme contributions	81	43
	6,693	4,506

The remuneration of key management personnel is determined by the management of the Group having regard to the performance of individuals and market trends.

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 30 September 2025, the Group had 24 projects in progress with a total original contract sum of approximately HK\$732.1 million and a total project backlog of approximately HK\$314.0 million. Total revenue of approximately HK\$120.0 million was recognised for the six months ended 30 September 2025.

During the six months ended 30 September 2025, we were awarded 11 new projects with a total contract sum of approximately HK\$106.6 million, out of which 5 projects belong to façade works projects and 6 projects belong to building metal finishing works projects.

OUTLOOK AND PROSPECTS

Hong Kong's construction industry is navigating a transitional phase marked by a slowdown in growth amid macroeconomic factors. Private sector property development activities in Hong Kong remain cautious, particularly in commercial developments, leading to restrained number of tenders for façade and metalwork subcontracts. Although government-led infrastructure and urban renewal projects have provided some support to the industry in the near and long terms, existing challenges such as volatility from US Federal Reserve's interest rate decisions, geopolitical tensions and record-high office vacancy rates subdue market demand, induce keen competition and impact the profit margin of the industry.

Despite the abovementioned challenges, we are confident that the Group can leverage its competitive strengths to maintain our market share and capture future opportunities. We will maintain a prudent approach to bidding on new projects and keep our cost control measures in place. The Board will also prudently pursue selective investment opportunities to broaden the Group's income base and enhance resilience through diversification.

FINANCIAL REVIEW

Revenue

The table below sets forth an analysis of our revenue by the types of services provided for the six months ended 30 September 2025 and 2024:

	Six months ended 30 September			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Façade works	95,368	79.5	86,105	65.9
Building metal finishing works	24,617	20.5	44,569	34.1
Total	119,985	100.0	130,674	100.0

The Group's revenue decreased by approximately HK\$10.7 million or approximately 8.2% from approximately HK\$130.7 million for the six months ended 30 September 2024 to approximately HK\$120.0 million for the six months ended 30 September 2025. The decrease in revenue recognised was primarily attributed to the lower contribution from building metal finishing works projects since certain sizable building metal finishing works projects were completed at the beginning of this period.

The table below sets forth an analysis of our revenue by sectors for the six months ended 30 September 2025 and 2024:

	Six months ended 30 September			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Residential properties	69,137	57.6	90,047	68.9
Commercial properties	2,009	1.7	14	0.0
Public facilities	48,839	40.7	40,613	31.1
Total	119,985	100.0	130,674	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 six months ended 30 September 2025 and 2024:

	Six months ended 30 September			
	2025		2024	
	Gross profit margin		Gross profit margin	
	HK\$'000	%	HK\$'000	%
Façade works	9,934	10.4	8,195	9.5
Building metal finishing works	3,945	16.0	5,181	11.6
Total	13,879	11.6	13,376	10.2

The Group's gross profit slightly increased by approximately HK\$0.5 million from approximately HK\$13.4 million for the six months ended 30 September 2024 to approximately HK\$13.9 million for the six months ended 30 September 2025. The gross profit margin increased from approximately 10.2% for the six months ended 30 September 2024 to approximately 11.6% for the six months ended 30 September 2025. The increase of the Group's gross profit margin was mainly due to the higher-than-budgeted final account settlement agreed upon with the employer of a completed project after lengthy negotiation, whereas such positive effect was partially offset by the additional costs incurred in a project for defects fixing in the stage of completion.

The table below sets forth an analysis of the amount of gross profit and the gross profit margin by sectors for the six months ended 30 September 2025 and 2024:

	Six months ended 30 September			
	2025		2024	
	Gross profit margin		Gross profit margin	
	HK\$'000	%	HK\$'000	%
Residential properties	4,940	7.1	10,115	11.2
Commercial properties	160	8.0	1	7.1
Public facilities	8,779	18.0	3,260	8.0
Total	13,879	11.6	13,376	10.2

The decrease in gross profit margin of residential properties projects from approximately 11.2% for the six months ended 30 September 2024 to approximately 7.1% for the six months ended 30 September 2025 mainly resulted from the additional costs incurred for defects rectification in a project in the stage of completion and lower gross profit margins of projects newly awarded. On the other hand, the gross profit margin of public facilities projects increased from approximately 8.0% for the six months ended 30 September 2024 to approximately 18.0% for the six months ended 30 September 2025 since the final account of a completed project was assessed by the employer at an amount higher than budgeted after lengthy negotiation.

Other income, gains and losses, net

During the six months ended 30 September 2025, the Group recognised other income, gains and losses, net of approximately HK\$0.6 million, as compared with other income of approximately HK\$1.6 million recognised during the six months ended 30 September 2024. The decline was mainly attributable to the decrease in bank interest income of approximately HK\$1.1 million, following the drop in bank deposit interest rate during the period.

Operating and administrative expenses

The Group's operating and administrative expenses decreased from approximately HK\$12.6 million for the six months ended 30 September 2024 to approximately HK\$12.4 million for the six months ended 30 September 2025, representing a decrease of approximately HK\$0.2 million or 1.3%. The slight decrease was mainly attributable to the improved cost control over operating and administrative activities, such as travelling and entertainment, during the period.

Profit and total comprehensive income for the period

As a result of the foregoing, the Group's net profit decreased by approximately HK\$0.7 million from approximately HK\$2.0 million for the six months ended 30 September 2024 to approximately HK\$1.3 million for the six months ended 30 September 2025.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2025, the Group had net current assets of approximately HK\$123.3 million (31 March 2025: approximately HK\$123.2 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 4.7 times as at 30 September 2025 (31 March 2025: approximately 4.9 times).

The Group finances its operations primarily through a combination of cash flows generated from operations and bank borrowings.

As at 30 September 2025, the Group had bank balances and cash of approximately HK\$49.0 million (31 March 2025: approximately HK\$63.4 million). The Group continued to maintain a healthy liquidity position.

Bank borrowings

As at 30 September 2025, the maximum limit of the banking facilities available to the Group amounted to approximately HK\$76.5 million, out of which an aggregate amount of approximately HK\$24.0 million was utilised for performance guarantees.

The Group did not utilise any banking facilities for bank borrowings as at 30 September 2025 and 31 March 2025. 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 30 September 2025 and 31 March 2025.

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 was no change in the capital structure of the Group during the reporting period.

Pledge of assets

As at 30 September 2025, the pledged bank deposit of approximately HK\$3.0 million (31 March 2025: approximately HK\$3.0 million) has been pledged to secure banking facilities granted to the Group given by a bank.

As at 30 September 2025, the lease liabilities of approximately HK\$3.7 million (31 March 2025: approximately HK\$0.8 million) are secured by rental deposits with carrying values of approximately HK\$0.5 million (31 March 2025: 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 reporting period. 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 six months ended 30 September 2025, the Group incurred capital expenditure of approximately HK\$0.6 million (six months ended 30 September 2024: approximately HK\$1.5 million).

Capital commitments and contingent liabilities

The detailed information of performance guarantees of the Group as at 30 September 2025 is set out in Note 14 to the unaudited condensed consolidated financial statements. Save as disclosed in Note 14 to the unaudited condensed consolidated financial statements, there is no other capital commitment and contingent liabilities that the Group is aware of.

Significant investments, acquisition and disposals

On 23 May 2025, Forever Wealth Holdings Limited (“**Forever Wealth**”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement (the “**Joint Venture Agreement**”) with Lake Chong Fa Restaurant Company Limited (“**LCF**”), a company incorporated in Macau, under which the parties agreed to establish Da Cheng Restaurant Company Limited (the “**Joint Venture Company**”) to operate a North-eastern Chinese cuisine restaurant at The Venetian Macao under the “Dumpling Lake Chong Fa (松花湖水餃)” brand. LCF shall be responsible for managing the day-to-day operations and shall provide branding and operational support to the Joint Venture Company under separate arrangements.

Pursuant to the Joint Venture Agreement, Forever Wealth and LCF agreed to establish the Joint Venture Company. The registered capital of the Joint Venture Company shall be MOP100,000 (equivalent to approximately HK\$97,000). Capital contribution shall be satisfied as follows:

- (i) 49% by Forever Wealth, amounting to a total of MOP49,000 (equivalent to approximately HK\$47,530) in cash; and
- (ii) 51% by LCF, amounting to a total of MOP51,000 (equivalent to approximately HK\$49,470) in cash.

The Joint Venture Company shall be owned as to 49% by Forever Wealth and as to 51% by LCF upon its establishment, and shall not be a subsidiary of the Company and its financial results shall not be consolidated into the financial statements of the Group.

The Joint Venture Company was incorporated in Macau on 26 May 2025.

Forever Wealth and LCF have agreed to provide shareholders' loans to the Joint Venture Company in proportion to their respective shareholdings. An initial shareholders' loan in the total amount of HK\$2,000,000, contributed on a pro rata basis, shall be injected within 30 business days after incorporation of the Joint Venture Company. Subject to over 70% of such amount being utilised, the parties shall further provide up to an aggregate of HK\$30,000,000 in additional shareholders' loans, with Forever Wealth contributing up to HK\$14,700,000 and LCF contributing up to HK\$15,300,000. The shareholders' loan shall be provided to the Joint Venture Company by cash or bank transfer by no later than 31 December 2026.

The initial shareholders' loan in the total amount of HK\$2,000,000 has been injected by the parties on a pro rata basis during the reporting period, while no additional shareholders' loans were provided up to the date of this announcement.

The Board believes the above significant investment is in line with the Group's strategy to pursue selective investment opportunities to broaden the Group's income base and enhance resilience through diversification. The entering into of the Joint Venture Agreement provides an opportunity for the Group to explore the food and beverage sector through LCF as a well-established operator with proven performance in Macau.

For details, please refer to the announcements of the Company dated 23 May 2025 and 30 May 2025.

Save as the above, there were no other significant investments held, acquisitions or disposals of subsidiaries and affiliated companies by our Group during the reporting period.

Future plans for material investments and capital assets

The Group may from time to time consider appropriate new business opportunities, as and when appropriate, in order to enhance its shareholders' value. Save as disclosed herein, there was no specific plan for material investments or capital assets as at 30 September 2025.

CHANGE OF ADDRESS OF HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company's address of head office and principal place of business in Hong Kong has been changed to Unit 2102–2107, 21/F, Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong with effect from 1 August 2025.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 September 2025, the Group had 51 (31 March 2025: 50) full time employees (including two executive Directors but excluding three independent non-executive Directors). The Group has implemented a tight cost control and adjusted 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 numbers of project staff and administrative staff were relatively stable as at 30 September 2025 and 31 March 2025.

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 six months ended 30 September 2025 were approximately HK\$17.5 million (six months ended 30 September 2024: approximately HK\$18.2 million).

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place after 30 September 2025 and up to the date of this announcement.

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 reporting period 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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATIONS

During the reporting period, the Group did not have any material acquisitions and disposals of subsidiaries and associations.

INTERIM DIVIDEND

For the six months ended 30 September 2025, the Board has resolved not to declare any interim dividend (six months ended 30 September 2024: Nil).

CORPORATE GOVERNANCE

The Company is committed in achieving a high level of corporate governance standard. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of its shareholders, enhance its corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and relevant code provisions as set out under the Corporate Governance Code ("**CG Code**") 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 set out in Part 2 of the CG Code throughout the reporting period except for the following deviation (Code Provision C.2.1):

Chairman and Chief Executive Officer

Mr. Chu Kwok Fun is the Chairman 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 not be performed by the same individual. Taking into account Mr. Chu has held the key leadership position of our Group and has been deeply involved in the overall management, strategic planning and development of our 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 is of the view that although Mr. Chu is both the Chairman and the Chief Executive Officer, 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.

The Board will continue to review and consider splitting the roles of the Chairman and the Chief Executive Officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

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 reporting period.

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 reporting period.

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 Listing Rules) 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 reporting period.

AUDIT COMMITTEE

The audit committee of the Company (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 was appointed to serve as the chairman of the Audit Committee.

The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial statements and provide advice in respect of financial reporting, oversee the financial reporting process, internal control, risk management systems and audit process, and perform other duties and responsibilities assigned by the Board.

The Company's unaudited condensed consolidated financial statements for the six months ended 30 September 2025 have been reviewed and approved by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Company for the six months ended 30 September 2025 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 25 November 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.