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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)

PROFIT WARNING

This announcement is made by Lotus Horizon Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment on the latest unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group is expected to record a consolidated net loss between HK\$2 million and HK\$5 million for the six months ended 30 September 2021 (the “**Interim Period**”) as compared to the unaudited consolidated net profit of approximately HK\$8.9 million for the six months ended 30 September 2020 (the “**Corresponding Period**”) (after excluding the impact of the one-off listing expenses of approximately HK\$1.3 million recognised during the Corresponding Period).

Based on the information currently available, the Board considers that the turn from profit to loss was mainly attributable to the combined effect of:

- (i) the decline in gross profit margin of certain projects awarded in the year ended 31 March 2021 and the Interim Period due to fierce competition in the façade works and building metal finishing works markets as a result of the prolonged impact of the COVID-19 pandemic;
- (ii) the increase in overhead costs and subcontracting costs incurred for several on-going projects, resulted from the delay in construction progress and persistent adverse impact of the COVID-19 pandemic; and
- (iii) the substantial increment in market prices of building materials during the Interim Period.

As at the date of this announcement, the Company is in the course of finalising the financial results of the Group for the Interim Period. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available including the unaudited consolidated management accounts of the Group, which has not been reviewed by the Company's independent auditors or the audit committee of the Company and is subject to adjustments. Shareholders and potential investors are advised to refer to the interim results announcement of the Group for the Interim Period, which is expected to be published in November 2021, for more information.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 29 October 2021

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. TSANG Chiu Wan, as executive Directors, and Ms. LEUNG Yin Fai, Mr. MA Tsz Chun, and Ms. YUEN Wai Yee as independent non-executive Directors.