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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)

UPDATE ON 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).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 29 April 2022 in relation to the profit warning in respect of the Group’s financial results for the year ended 31 March 2022 (the “**Financial Year**”). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Board wishes to inform the Shareholders and potential investors of the Company that, based on the updated information available to the Board, it has come to the Board’s attention that the Group is expected to record a consolidated net loss of not less than HK\$22.0 million for the Financial Year, as compared with the previously expected consolidated net loss of not less than HK\$15.0 million as disclosed in the Announcement.

The expected increase in the consolidated net loss is primarily due to a provision for impairment loss of approximately HK\$6.6 million in respect of the entire balance of trade receivables and retention receivables due from a customer expected to be made in the Financial Year. While the Group is prepared to take legal action against such customer to recover the overdue amounts, the Board expects the said provision to be made for prudence sake.

As at the date of this announcement, the Company is in the course of finalising the financial results of the Group for the Financial Year. 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 annual results announcement of the Group for the Financial Year, which is expected to be published in June 2022, 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, 7 June 2022

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.