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**Lai Si Construction**  
**Lai Si Enterprise Holding Limited**  
**黎氏企業控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 2266)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**FINANCIAL HIGHLIGHTS**

*(in Macau Patacas (“MOP”) thousand, unless otherwise stated)*

|  | <b>For the six months<br/>ended 30 June</b>             |   | Percentage<br>increase |
|--|---|---|------------------------|
|  | <b>2024</b><br><b>(Unaudited)</b>                       | 2023<br><b>(Unaudited)</b>                                |                        |
| Revenue  | <b>81,824</b>   | 30,003  | 172.7%                 |
| Gross profit   | <b>18,536</b>   | 4,713   | 293.3%                 |
| Gross profit margin  | <b>22.7%</b>  | 15.7%   | 7.0%                   |
| Profit/(loss) attributable to owners of the Company              | <b>5,281</b>  | (9,367)   | N/A                    |
| Earnings/(loss) per share for the period<br><i>(Macau cents)</i> | <b>1.3</b>  | (2.3)   | N/A                    |
|  | <b>As at<br/>30 June<br/>2024</b><br><b>(Unaudited)</b> | <b>As at<br/>31 December<br/>2023</b><br><b>(Audited)</b> | Percentage<br>increase |
| Equity attributable to owners of the Company                     | <b>110,615</b>  | 104,944   | 5.4%                   |

**INTERIM DIVIDEND**

The Board resolved not to declare any payment of interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Lai Si Enterprise Holding Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures for the corresponding six months ended 30 June 2023 as set out below:

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 30 June 2024*

|   | <i>Notes</i> | <b>2024</b><br><i>MOP'000</i><br><b>(Unaudited)</b> | 2023<br><i>MOP'000</i><br><b>(Unaudited)</b> |
|---|--------------|---|--|
| Revenue   | 4            | <b>81,824</b>                                       | 30,003                                       |
| Cost of sales   |              | <u><b>(63,288)</b></u>                              | <u>(25,290)</u>                              |
| <b>Gross profit</b>   |              | <b>18,536</b>                                       | 4,713  |
| Other income, gains and losses, net   |              | <b>1,816</b>  | 854  |
| Administrative expenses   |              | <b>(16,865)</b>                                     | (15,222)                                     |
| Reversal of impairment losses on financial assets and contract assets             | 5            | <b>2,836</b>  | 1,299  |
| Changes in fair value of investment properties                                    |              | <b>(1,133)</b>                                      | (515)  |
| Share of profit/(loss) of an associate  |              | <b>446</b>  | (6)  |
| Finance costs   |              | <u><b>(491)</b></u>                                 | <u>(496)</u>                                 |
| <b>PROFIT/(LOSS) BEFORE TAX</b>   | 5            | <b>5,145</b>  | (9,373)                                      |
| Income tax credit   | 6            | <u><b>136</b></u>                                   | <u>6</u>                                     |
| <b>PROFIT/(LOSS) FOR THE PERIOD<br/>ATTRIBUTABLE TO OWNERS OF<br/>THE COMPANY</b> |              | <u><b>5,281</b></u>                                 | <u>(9,367)</u>                               |
|   |              | <i>Macau cents</i>                                  | <i>Macau cents</i>                           |
| <b>EARNINGS/(LOSS) PER SHARE<br/>ATTRIBUTABLE TO OWNERS OF<br/>THE COMPANY</b>    |              |   |  |
| Basic and diluted   | 8            | <u><b>1.3</b></u>                                   | <u>(2.3)</u>                                 |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

|   | <b>2024</b><br><i>MOP'000</i><br>(Unaudited) | 2023<br><i>MOP'000</i><br>(Unaudited) |
|---|--|---------------------------------------|
| <b>PROFIT/(LOSS) FOR THE PERIOD</b>   | <u>5,281</u>                                 | <u>(9,367)</u>                        |
| <b>OTHER COMPREHENSIVE INCOME</b>   |  |                                       |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: |  |                                       |
| Equity investments designated at fair value through other comprehensive income:                   |  |                                       |
| Changes in fair value, net of nil tax   | <u>390</u>                                   | <u>39</u>                             |
| <b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>                                      | <u>390</u>                                   | <u>39</u>                             |
| <b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>     | <u><u>5,671</u></u>                          | <u><u>(9,328)</u></u>                 |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

|  | <i>Notes</i> | <b>30 June<br/>2024<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2023<br>MOP'000<br>(Audited) |
|--|--------------|---|---|
| <b>NON-CURRENT ASSETS</b>  |              |   |   |
| Property, plant and equipment  | 9            | 73,318  | 73,621                                      |
| Investment properties  |              | 22,660  | 23,793                                      |
| Investment in an associate   |              | 7,364   | 6,918                                       |
| Equity investments designated at fair value through other comprehensive income |              | <u>1,801</u>  | <u>1,411</u>                                |
| <b>Total non-current assets</b>  |              | <u>105,143</u>                                      | <u>105,743</u>                              |
| <b>CURRENT ASSETS</b>  |              |   |   |
| Trade receivables  | 10           | 27,732  | 19,430                                      |
| Contract assets  |              | 31,056  | 26,140                                      |
| Prepayments, other receivables and other assets                                |              | 14,934  | 7,736                                       |
| Amount due from the ultimate holding company                                   |              | 1   | 1   |
| Pledged bank deposits  |              | 11,517  | 11,128                                      |
| Cash and bank balances   |              | <u>8,406</u>  | <u>10,129</u>                               |
| <b>Total current assets</b>  |              | <u>93,646</u>                                       | <u>74,564</u>                               |
| <b>CURRENT LIABILITIES</b>   |              |   |   |
| Trade payables   | 11           | 19,692  | 20,251                                      |
| Contract liabilities   |              | 12,034  | 6,041                                       |
| Other payables and accruals  |              | 14,695  | 11,914                                      |
| Interest-bearing bank borrowings   |              | 38,240  | 33,543                                      |
| Tax payable  |              | <u>120</u>  | <u>120</u>                                  |
| <b>Total current liabilities</b>   |              | <u>84,781</u>                                       | <u>71,869</u>                               |
| <b>NET CURRENT ASSETS</b>  |              | <u>8,865</u>  | <u>2,695</u>                                |
| <b>Total assets less current liabilities</b>                                   |              | <u>114,008</u>                                      | <u>108,438</u>                              |

|                                      | <b>30 June<br/>2024<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2023<br>MOP'000<br>(Audited) |
|--------------------------------------|---|---|
| <b>NON-CURRENT LIABILITIES</b>       |   |   |
| Defined benefit plan obligations     | <b>169</b>  | 134   |
| Deferred tax liabilities             | <b>3,224</b>  | 3,360                                       |
|                                      | <hr/>   | <hr/>                                       |
| <b>Total non-current liabilities</b> | <b>3,393</b>  | 3,494                                       |
|                                      | <hr/>   | <hr/>                                       |
| <b>Net assets</b>                    | <b>110,615</b>                                      | 104,944                                     |
|                                      | <hr/> <hr/>   | <hr/> <hr/>                                 |
| <b>EQUITY</b>                        |   |   |
| Share capital                        | <b>4,120</b>  | 4,120                                       |
| Reserves                             | <b>106,495</b>                                      | 100,824                                     |
|                                      | <hr/>   | <hr/>                                       |
| <b>Total equity</b>                  | <b>110,615</b>                                      | 104,944                                     |
|                                      | <hr/> <hr/>   | <hr/> <hr/>                                 |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 1 CORPORATE AND GROUP INFORMATION

Lai Si Enterprise Holding Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 1 June 2016 under the Companies Law, Cap. 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 10 February 2017. The Company’s immediate and ultimate holding company is SHK-Mac Capital Limited (“**SHKMCL**”), a company incorporated in British Virgin Islands (“**BVI**”) with limited liability. The Company’s registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business is located at Macau Lai Si Enterprise Centre, Rua Da Ribeira Do Patane No. 54, Macau.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”), are principally engaged in fitting-out, alteration and addition works, construction works and repair and maintenance services.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with *HKAS 34 Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

The Group has adopted the following new and revised HKFRSs for the first time for the current period’s financial information.

|                                     |  |
|-------------------------------------|--|
| Amendments to HKFRS 16              | Lease Liability in a Sale and Leaseback  |
| Amendments to HKAS 1                | Classification of Liabilities as Current or Non-current<br>(the “2020 Amendments”) |
| Amendments to HKAS 1                | Non-current Liabilities with Covenants (the “2022<br>Amendments”)                  |
| Amendments to HKAS 7 and<br>HKFRS 7 | Supplier Finance Arrangements  |

The adoption of the above new and revised HKFRSs had no significant financial effect on this financial information.

### 3 OPERATING SEGMENT INFORMATION

Six months ended 30 June 2024

|   | <b>Fitting-out,<br/>alteration and<br/>addition works<br/><i>MOP'000</i><br/>(Unaudited)</b> | <b>Construction<br/>works<br/><i>MOP'000</i><br/>(Unaudited)</b> | <b>Repair and<br/>maintenance<br/>services<br/><i>MOP'000</i><br/>(Unaudited)</b> | <b>Total<br/><i>MOP'000</i><br/>(Unaudited)</b> |
|---|--|--|---|---|
| <b>Segment revenue</b>  |  |  |   |   |
| Sales to external customers   | <u>76,895</u>  | <u>1,964</u>   | <u>2,965</u>  | <u>81,824</u>                                   |
| <b>Segment results</b>  | <b>16,899</b>  | <b>14</b>  | <b>1,291</b>  | <b>18,204</b>                                   |
| Corporate expenses  |  |  |   | (16,533)  |
| Other income, gains and<br>losses, net                                      |  |  |   | 1,816   |
| Reversal of impairment<br>losses on financial assets<br>and contract assets |  |  |   | 2,836   |
| Changes in fair value of<br>investment properties                           |  |  |   | (1,133)   |
| Share of profit of<br>an associate  |  |  |   | 446   |
| Finance costs   |  |  |   | <u>(491)</u>                                    |
| Profit before tax   |  |  |   | <u><u>5,145</u></u>                             |

**Six months ended 30 June 2023**

|   | Fitting-out,<br>alteration and<br>addition works<br><i>MOP'000</i><br>(Unaudited) | Construction<br>works<br><i>MOP'000</i><br>(Unaudited) | Repair and<br>maintenance<br>services<br><i>MOP'000</i><br>(Unaudited) | Total<br><i>MOP'000</i><br>(Unaudited) |
|---|---|--|--|--|
| <b>Segment revenue</b>  |   |  |  |  |
| Sales to external customers   | 20,891  | 7,048  | 2,064  | 30,003                                 |
| <b>Segment results</b>  | 3,561   | 215  | 690  | 4,466                                  |
| Corporate expenses  |   |  |  | (14,975)                               |
| Other income, gains and<br>losses, net                                      |   |  |  | 854                                    |
| Reversal of impairment<br>losses on financial assets<br>and contract assets |   |  |  | 1,299                                  |
| Changes in fair value of<br>investment properties                           |   |  |  | (515)                                  |
| Share of loss of an associate   |   |  |  | (6)                                    |
| Finance costs   |   |  |  | (496)                                  |
| Loss before tax   |   |  |  | (9,373)                                |



#### 4 REVENUE

An analysis of the Group's revenue is as follows:

|  | <b>For the six months<br/>ended 30 June</b> |                    |
|--|---|--------------------|
|  | <b>2024</b>                                 | <b>2023</b>        |
|  | <i>MOP'000</i>                              | <i>MOP'000</i>     |
|  | <b>(Unaudited)</b>                          | <b>(Unaudited)</b> |
| <i>Revenue from contracts with customers</i> |   |                    |
| Fitting-out, alteration and addition works   | <b>76,895</b>                               | 20,891             |
| Construction works                           | <b>1,964</b>                                | 7,048              |
| Repair and maintenance services              | <b>2,965</b>                                | 2,064              |
|  | <u><b>81,824</b></u>                        | <u>30,003</u>      |

#### **Disaggregated revenue information for revenue from contracts with customers**

**For the six months ended 30 June 2024**

| <b>Segments</b>                             | <b>Fitting-out,<br/>alteration and<br/>addition works</b> | <b>Construction<br/>works</b> | <b>Repair and<br/>maintenance<br/>services</b> | <b>Total</b>         |
|---|---|-------------------------------|--|----------------------|
|   | <i>MOP'000</i>  | <i>MOP'000</i>                | <i>MOP'000</i>                                 | <i>MOP'000</i>       |
|   | <b>(Unaudited)</b>  | <b>(Unaudited)</b>            | <b>(Unaudited)</b>                             | <b>(Unaudited)</b>   |
| <b>Geographical markets</b>                 |   |                               |  |                      |
| Macau                                       | <b>55,791</b>   | <b>1,964</b>                  | <b>2,474</b>                                   | <b>60,229</b>        |
| Hong Kong                                   | <b>21,104</b>   | –                             | <b>491</b>                                     | <b>21,595</b>        |
|   | <u><b>76,895</b></u>                                      | <u><b>1,964</b></u>           | <u><b>2,965</b></u>                            | <u><b>81,824</b></u> |
| <b>Timing of revenue recognition</b>        |   |                               |  |                      |
| Services transferred over time              | <b>76,895</b>   | <b>1,964</b>                  | –  | <b>78,859</b>        |
| Services transferred at a point in time     | –   | –                             | <b>2,965</b>                                   | <b>2,965</b>         |
|   | <u><b>76,895</b></u>                                      | <u><b>1,964</b></u>           | <u><b>2,965</b></u>                            | <u><b>81,824</b></u> |
| Total revenue from contracts with customers | <u><b>76,895</b></u>                                      | <u><b>1,964</b></u>           | <u><b>2,965</b></u>                            | <u><b>81,824</b></u> |

**For the six months ended 30 June 2023**

| <b>Segments</b>                                | Fitting-out,<br>alteration and<br>addition works<br>MOP'000<br>(Unaudited) | Construction<br>works<br>MOP'000<br>(Unaudited) | Repair and<br>maintenance<br>services<br>MOP'000<br>(Unaudited) | Total<br>MOP'000<br>(Unaudited) |
|--|--|---|---|---------------------------------|
| <b>Geographical markets</b>                    |  |   |   |                                 |
| Macau  | 11,654   | 7,048   | 2,038   | 20,740                          |
| Hong Kong                                      | 9,237  | –   | 26  | 9,263                           |
|  | <hr/>  | <hr/>   | <hr/>   | <hr/>                           |
| Total revenue from<br>contracts with customers | 20,891   | 7,048   | 2,064   | 30,003                          |
|  | <hr/> <hr/>  | <hr/> <hr/>                                     | <hr/> <hr/>   | <hr/> <hr/>                     |
| <b>Timing of revenue<br/>recognition</b>       |  |   |   |                                 |
| Services transferred over<br>time              | 20,891   | 7,048   | –   | 27,939                          |
| Services transferred at a<br>point in time     | –  | –   | 2,064   | 2,064                           |
|  | <hr/>  | <hr/>   | <hr/>   | <hr/>                           |
| Total revenue from<br>contracts with customers | 20,891   | 7,048   | 2,064   | 30,003                          |
|  | <hr/> <hr/>  | <hr/> <hr/>                                     | <hr/> <hr/>   | <hr/> <hr/>                     |

**5 PROFIT/(LOSS) BEFORE TAX**

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

|   | <b>For the six months<br/>ended 30 June</b> |                    |
|---|---|--------------------|
|   | <b>2024</b>                                 | <b>2023</b>        |
|   | <b>MOP'000</b>                              | <b>MOP'000</b>     |
|   | <b>(Unaudited)</b>                          | <b>(Unaudited)</b> |
| Cost of services provided*  | 63,288                                      | 25,290             |
| Depreciation of property, plant and equipment                             | 426   | 458                |
| Write-off trade receivables   | 29  | –                  |
| Reversal of impairment losses on financial assets and contract<br>assets: |   |                    |
| Reversal of impairment losses on trade receivables                        | (1,600)                                     | (731)              |
| Reversal of impairment losses on contract assets                          | (1,236)                                     | (568)              |
|   | <hr/>                                       | <hr/>              |
|   | (2,836)                                     | (1,299)            |
|   | <hr/>                                       | <hr/>              |
| Foreign exchange differences, net   | (419)                                       | 36                 |
|   | <hr/> <hr/>                                 | <hr/> <hr/>        |

\* Included in cost of services provided are the staff costs incurred in the amount of approximately MOP13,443,000 (six months ended 30 June 2023: MOP6,695,000).

## 6 INCOME TAX

No provision for Macau complementary tax has been provided for current period and at progressive rates up to 12% on the estimated taxable profits arising in Macau for prior period.

No provision for Hong Kong Profits Tax has been made as a subsidiary incorporated in Hong Kong has available tax losses carried forward for future set off during both current and prior period.

|                                 | <b>For the six months<br/>ended 30 June</b> |                    |
|---------------------------------|---|--------------------|
|                                 | <b>2024</b>                                 | <b>2023</b>        |
|                                 | <b>MOP'000</b>                              | <b>MOP'000</b>     |
|                                 | <b>(Unaudited)</b>                          | <b>(Unaudited)</b> |
| Current – Macau                 |   |                    |
| – Charge for the period         | –   | 56                 |
| Deferred                        | <u>(136)</u>                                | <u>(62)</u>        |
| Total tax credit for the period | <u><u>(136)</u></u>                         | <u><u>(6)</u></u>  |

## 7 DIVIDENDS

No dividend has been paid or declared by the Group during the six months ended 30 June 2024 and 2023.

## 8 EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 400,000,000 (six months ended 30 June 2023: 400,000,000) in issue during the six months ended 30 June 2024.

The Group's profit for the period attributable to owners of the Company was MOP5,281,000 (six months ended 30 June 2023: loss of MOP9,367,000).

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.

## 9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets at cost of MOP123,000.

## 10 TRADE RECEIVABLES

|                   | <b>30 June</b>              | <b>31 December</b>   |
|-------------------|-----------------------------|----------------------|
|                   | <b>2024</b>                 | <b>2023</b>          |
|                   | <b>MOP'000</b>              | <b>MOP'000</b>       |
|                   | <b>(Unaudited)</b>          | <b>(Audited)</b>     |
| Trade receivables | <b>49,076</b>               | 42,374               |
| Impairment        | <u><b>(21,344)</b></u>      | <u>(22,944)</u>      |
|                   | <u><u><b>27,732</b></u></u> | <u><u>19,430</u></u> |

The Group allows an average credit period of 30 days to its customers. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of existing customers is reviewed by the Group regularly.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

|                    | <b>30 June</b><br><b>2024</b><br><i>MOP'000</i><br><b>(Unaudited)</b> | 31 December<br>2023<br><i>MOP'000</i><br><b>(Audited)</b> |
|--------------------|---|---|
| Within 1 month     | <b>11,431</b>   | 13,116  |
| 1 to 2 months      | <b>12,178</b>   | 4,603   |
| 2 to 3 months      | <b>987</b>  | 1,402   |
| 3 to 6 months      | <b>2,495</b>  | 97  |
| 6 months to 1 year | <b>641</b>  | 181   |
| Over 1 year        | <b>–</b>  | 31  |
|                    | <b>27,732</b>   | 19,430  |

## 11 TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

|                | <b>30 June</b><br><b>2024</b><br><i>MOP'000</i><br><b>(Unaudited)</b> | 31 December<br>2023<br><i>MOP'000</i><br><b>(Audited)</b> |
|----------------|---|---|
| Within 1 month | <b>9,847</b>  | 4,007   |
| 1 to 2 months  | <b>2,146</b>  | 2,867   |
| 2 to 3 months  | <b>1,484</b>  | 1,992   |
| Over 3 months  | <b>6,215</b>  | 11,385  |
|                | <b>19,692</b>   | 20,251  |

## 12 CONTINGENT LIABILITIES

### (a) Sin Fong Garden Building

In October 2012, one of the supporting pillars of the residential building called “Sin Fong Garden Building” collapsed due to the loss of stability. Such collapse was accused to be caused by the dismantlement and construction of the foundation work undertaken in an adjacent new residential building project, of which Lai Si Construction & Engineering Company Limited (“Lai Si”) was one of the contractors. As a result, in September 2015, several flat owners of Sin Fong Garden Building filed a lawsuit against several defendants including Lai Si, seeking for a compensation for the loss of property, in a total sum of approximately HK\$48,950,000, to be borne jointly by the defendants. However, according to the report issued by the team of technical advisors and experts engaged by the Macau Government to study the causes of the incident, the collapse of Sin Fong Garden Building was caused by the substandard supporting pillars of Sin Fong Garden Building, instead of the dismantlement and foundation work undertaken in the adjacent new residential building.

The hearings were held from 17 November 2023 to February 2024. The court held the final to hear the closing arguments from the plaintiffs and defendants in July 2024. The final ruling is yet to be delivered but is expected to be issued within six months after the final trial. Based on the fact disclosed during the hearing and after consulting the Group’s lawyer, the directors of the Company are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and hence no provision is made in the interim condensed consolidated financial information as at 30 June 2024. The Controlling Shareholders have undertaken to indemnify the Group against all losses and liabilities arising from the above proceedings.

### (b) Dispute on payment with a subcontractor

As at 30 June 2024 and 31 December 2023, a subsidiary of the Group was a defendant in a lawsuit brought by a subcontractor of two of the Group’s fitting-out projects on a total settlement dispute amount of MOP1,926,000.

During the six months ended 30 June 2024, the subsidiary of the Group entered into a mediated settlement agreement with the plaintiff. The subsidiary of the Group agreed to pay the plaintiff MOP958,000 and will be fully settled on or before 25 December 2024. The provision is recognised during the six months ended 30 June 2024.

### (c) Dispute on payment with a subcontractor

As at 30 June 2024 and 31 December 2023, a subsidiary of the Group was a defendant in a lawsuit brought by a subcontractor of two of the Group’s fitting-out projects on a total settlement dispute amount with interest of MOP2,485,000.

The case was originally scheduled for the first hearing on 6 May 2024 has been postponed to 11 February 2025 due to an unexpected work situation involving the judge of the court.

After consulting the Group’s lawyer, the directors of the Company are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and hence no provision is made in the interim condensed consolidated financial information as at 30 June 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

On 10 February 2017, the shares (the “**Shares**”) of Lai Si Enterprise Holding Limited (the “**Company**”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) when 100,000,000 Shares were offered for subscription at HK\$1.15 each.

The Company and its subsidiaries (collectively, the “**Group**”) provide services of (i) fitting-out works as an integrated fitting-out contractor; (ii) construction works as a main contractor; and (iii) repair and maintenance services, mainly in Macau and Hong Kong. All of the Group’s revenue was derived from projects from both private and public sectors in Macau and Hong Kong.

The Group’s customers primarily include (i) hotel and casino developers and owners, international retailers and restaurant owners for fitting-out works; (ii) land owners and the Macau Government for construction works; and (iii) operators of hotels and casinos, retail shops and restaurants for repair and maintenance works.

The Group’s revenue comprised of (a) fitting-out works; (b) construction works; and (c) repair and maintenance services. During the six months ended 30 June 2024, the total value for the new fitting-out projects awarded to the Group, representing the aggregate awarded contract sum, amounted to approximately MOP69.4 million as compared to the six months ended 30 June 2023 of approximately MOP27.4 million. As at 30 June 2024, the Group had an aggregate value of backlog for fitting-out projects and construction projects of approximately MOP90.0 million as compared to approximately MOP72.7 million as at 30 June 2023.

## FINANCIAL REVIEW

### Revenue

The following table sets forth a breakdown of the Group's revenue during the six months ended 30 June 2024 and 2023 by business segments:

|                              | Six months ended 30 June (Unaudited) |              |                |       |
|------------------------------|--------------------------------------|--------------|----------------|-------|
|                              | 2024                                 |              | 2023           |       |
|                              | <i>MOP'000</i>                       | %            | <i>MOP'000</i> | %     |
| Fitting-out works            | <b>76,895</b>                        | <b>94.0</b>  | 20,891         | 69.6  |
| Construction works           | <b>1,964</b>                         | <b>2.4</b>   | 7,048          | 23.5  |
| Repair and maintenance works | <b>2,965</b>                         | <b>3.6</b>   | 2,064          | 6.9   |
| <b>Total</b>                 | <b>81,824</b>                        | <b>100.0</b> | 30,003         | 100.0 |

During the six months ended 30 June 2024, the Group's revenue increased by approximately MOP51.8 million or 172.7%. The increase was attributable to improved economy and reduced delay caused by the latest industry practice in Macau.

### Gross profit/(loss) and gross profit/(loss) margin

The following table sets forth a breakdown of the Group's gross profit/(loss) and gross profit/(loss) margin during the six months ended 30 June 2024 and 2023 by business segments:

|                              | Six months ended 30 June (Unaudited) |                             |                                |                             |
|------------------------------|--------------------------------------|-----------------------------|--------------------------------|-----------------------------|
|                              | 2024                                 |                             | 2023                           |                             |
|                              | Gross profit<br><i>MOP'000</i>       | Gross profit<br>margin<br>% | Gross profit<br><i>MOP'000</i> | Gross profit<br>margin<br>% |
| Fitting-out works            | <b>17,201</b>                        | <b>22.4</b>                 | 3,719                          | 17.8                        |
| Construction works           | <b>23</b>                            | <b>1.2</b>                  | 293                            | 4.2                         |
| Repair and maintenance works | <b>1,312</b>                         | <b>44.2</b>                 | 701                            | 34.0                        |
| <b>Total/overall</b>         | <b>18,536</b>                        | <b>22.6</b>                 | 4,713                          | 15.7                        |

During the six months ended 30 June 2024, the Group's gross profit increased by approximately MOP13.8 million or 293.3% from approximately MOP4.7 million for the six months ended 30 June 2023 to approximately MOP18.5 million for the six months ended 30 June 2024. The increase in gross profit was due to increase in gross profit margin of fitting-out works, improved economy and reduced delay caused by the latest industry practice in Macau.

The Group's gross profit margin increased from approximately 15.7% for the six months ended 30 June 2023 to approximately 22.6% for the six months ended 30 June 2024. The increase in gross profit margin was mainly attributable to increase gross profit margin of fitting-out works for the six months ended 30 June 2024.

### **Other income, gains and losses, net**

The Group's other income, gains and losses, net, increased from approximately MOP0.9 million for the six months ended 30 June 2023 to approximately MOP1.8 million for the six months ended 30 June 2024. The increase was due to exchange gain from weak Renminbi currency and consultancy income from properties management services.

### **Administrative expenses**

The Group's administrative expenses increased by approximately MOP1.6 million or 10.8% from approximately MOP15.2 million for the six months ended 30 June 2023 to approximately MOP16.9 million for the six months ended 30 June 2024. The increase was due to subcontractor disputes settlement claims and consultancy services during the period.

### **Reversal of impairment losses on financial assets and contract assets**

The amount represented the provision made for financial assets and contract assets. The Group has assessed recoverability of financial assets and contract assets from time to time, and adjusted expected credit losses provision when deterioration of credit quality has come to management's attention. For the six months ended 30 June 2024, there was MOP2.8 million reversal (30 June 2023: MOP1.3 million reversal) under current assessment.

### **Fair value loss on investment properties**

The amount approximately MOP1.1 million represented the decrease of market value of the investment properties held as at 30 June 2024 as compared with that as at 31 December 2023.

### **Finance costs**

The Group's finance costs were approximately MOP0.5 million for the six months ended 30 June 2024, compared to that for the six months ended 30 June 2023 of approximately MOP0.5 million. There was no material fluctuation.



### **Income tax credit**

The Group had income tax credit of approximately MOP136,000 for the six months ended 30 June 2024. There was approximately MOP6,000 income tax credit for the six months ended 30 June 2023. The change is due to deferred tax.

### **Profit/(loss) for the period attributable to owners of the Company**

As a combined result of the above, the Group's profit for the period attributable to owners of the Company amounted to approximately MOP5.3 million for the six months ended 30 June 2024 as compared to the Group's loss attributable to owners of the Company of approximately MOP9.4 million for the six months ended 30 June 2023.

### **Earnings/(loss) per Share**

The Company's earnings per Share for the six months ended 30 June 2024 was Macau cents 1.3 (30 June 2023: loss per Share Macau cents 2.3), representing an increase in earnings of Macau cents 3.6 per Share. This was in line with profit making situation.

### **Interim dividend**

The Board resolved not to declare payment of any interim dividend for the six months ended 30 June 2024 (30 June 2023: Nil).

## **CORPORATE FINANCE AND RISK MANAGEMENT**

### **Liquidity and financial resources and capital structure**

The management and control of the Group's financial, capital management and external financing functions are centralised at its headquarter in Macau. The Group adheres to the principle of prudent financial management to minimise financial and operational risks. The Group mainly relies upon internally generated funds and bank borrowings to finance its operations and expansion.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Group, and mitigate the effects of fluctuations in cash flows. The management of the Group believes that the Group has sufficient working capital for its future operational requirement.

As at 30 June 2024, the Group had net current assets of approximately MOP8.9 million, increased by approximately MOP6.2 million over the net current assets of approximately MOP2.7 million as recorded at 31 December 2023.

As at 30 June 2024, the Group had cash and bank balances of MOP8.4 million (31 December 2023: MOP10.1 million).

As at 30 June 2024, the Group had an aggregate of pledged bank deposits of MOP11.5 million (31 December 2023: MOP11.1 million) that were used to secure banking facilities.

As at 30 June 2024, interest-bearing bank borrowings amounted to MOP38.2 million (31 December 2023: MOP33.5 million) of which MOP14.1 million, MOP2.8 million, MOP8.9 million and MOP12.4 million (31 December 2023: MOP8.1 million, MOP2.7 million, MOP8.7 million and MOP14.0 million) will mature within one year, one year to two years, two years to five years and more than five years, respectively. The loans carry interest at variable market rates by reference to the prevailing Prime Rate. The effective interest rates as at 30 June 2024 (which were also equal to contracted interest rates) was 3.275% to 4.375% (31 December 2023: 3.8% to 4.4%).

The Group continued to maintain a healthy liquidity position. As at 30 June 2024, the Group's current assets and current liabilities were MOP93.6 million (31 December 2023: MOP74.6 million) and MOP84.8 million (31 December 2023: MOP71.9 million), respectively. The Group's current ratio as at 30 June 2024 remained stable at 1.1 (31 December 2023: 1.04). The Group has maintained sufficient liquid assets to finance its operations.

The Group's gearing ratio, calculated by dividing total debts (i.e. interest-bearing bank borrowings) with total equity, was 0.35 as at 30 June 2024 (31 December 2023: 0.32). The increase was primarily due to increase in bank borrowings.

As at 30 June 2024, the share capital and equity attributable to owners of the Company amounted to MOP4.1 million and MOP110.6 million, respectively (31 December 2023: MOP4.1 million and MOP104.9 million, respectively).

### **Charge on the Group's assets**

As at 30 June 2024, land and building and bank deposits were pledged to secure certain borrowings granted to the Group amounted to MOP73.1 million and MOP11.5 million (31 December 2023: MOP73.4 million and MOP11.1 million), respectively.

## **Contingent liabilities and operating lease and capital commitments**

### **(a) *Sin Fong Garden Building***

In October 2012, one of the supporting pillars of the residential building called “Sin Fong Garden Building” collapsed due to the loss of stability. Such collapse was accused to be caused by the dismantlement and construction of the foundation work undertaken in an adjacent new residential building project, of which Lai Si was one of the contractors. As a result, in September 2015, several flat owners of Sin Fong Garden Building filed a lawsuit against several defendants including Lai Si, seeking for a compensation for the loss of property, in a total sum of approximately HK\$48,950,000, to be borne jointly by the defendants. However, according to the report issued by the team of technical advisors and experts engaged by the Macau Government to study the causes of the incident, the collapse of Sin Fong Garden Building was caused by the substandard supporting pillars of Sin Fong Garden Building, instead of the dismantlement and foundation work undertaken in the adjacent new residential building.

The hearings were held from 17 November 2023 to February 2024. The court held the final to hear the closing arguments from the plaintiffs and defendants in July 2024. The final ruling is yet to be delivered but is expected to be issued within six months after the final trial. Based on the fact disclosed during the hearing and after consulting the Group’s lawyer, the directors of the Company are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and hence no provision is made in the interim condensed consolidated financial information as at 30 June 2024. The Controlling Shareholders have undertaken to indemnify the Group against all losses and liabilities arising from the above proceedings.

### **(b) *Dispute on payment with a subcontractor***

As at 30 June 2024 and 31 December 2023, a subsidiary of the Group was a defendant in a lawsuit brought by a subcontractor of two of the Group’s fitting-out projects on a total settlement dispute amount of MOP1,926,000.

During the six months ended 30 June 2024, the subsidiary of the Group entered into a mediated settlement agreement with the plaintiff. The subsidiary of the Group agreed to pay the plaintiff MOP958,000 and will be fully settled on or before 25 December 2024. The provision is recognised during the six months ended 30 June 2024.

**(c) *Dispute on payment with a subcontractor***

As at 30 June 2024 and 31 December 2023, a subsidiary of the Group was a defendant in a lawsuit brought by a subcontractor of two of the Group's fitting-out projects on a total settlement dispute amount with interest of MOP2,485,000.

The case was originally scheduled for the first hearing on 6 May 2024 has been postponed to 11 February 2025 due to an unexpected work situation involving the judge of the court.

After consulting the Group's lawyer, the directors of the Company are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and hence no provision is made in the interim condensed consolidated financial information as at 30 June 2024.

**Exposure to fluctuations in exchange rates and interest rates and corresponding hedging arrangements**

The Group entities collect most of the revenue and settle most of the expenditures in their respective functional currencies. The Group is exposed to currency risk primarily through purchase of raw materials and sales proceeds received from customers that are denominated in a currency other than the Group entities' functional currency. The currencies giving rise to this risk are primarily HK\$ and RMB. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity.

The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

**Interest rate risk**

The Group's cash flow interest rate risk relates primarily to variable-rate bank balances, bank overdrafts and bank borrowings. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

**Credit exposure**

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees arisen from the carrying amount of the respective recognised financial assets as stated in the interim condensed consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable and other receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The policy of allowances for doubtful debts of the Group is based on the evaluation and estimation of collectability and ageing analysis of the outstanding debts. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flows expected to receive, discounted using the original effective interest rate and the carrying value. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. The management closely monitors the subsequent settlement of the counterparties.

In addition to the above, in year 2018, upon the implementation of HKFRS 9, the Group took forward looking approach in assessing credit risk (expected credit losses). General provision on account receivables was made accordingly.

In this regard, the management of the Group considers that credit risk is well taken care and addressed.

The Group is exposed to concentration of credit risk as at 30 June 2024 on trade receivables and contract assets from the Group's five major customers amounting to approximately MOP36.9 million (31 December 2023: MOP11.1 million) and accounted for approximately 62.8% (31 December 2023: 24.2%) of the Group's total trade receivables and contract assets. The major customers of the Group are certain reputable organisations. The management of the Group considers that the credit risk is limited in this regard.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Liquid funds were also under the scope of review by the professional valuer as in account receivables.

## **EVENTS AFTER THE REPORTING PERIOD**

There is no significant events after 30 June 2024 and up to the date of this announcement.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2024, the total number of full-time employees of the Group was 143 (31 December 2023: 140).

The Group remunerates its employees based on their performance, experience and the prevailing industry practice. The Group may pay a discretionary bonus to its employees based on individual performance in recognition of their contribution and hard work.

The Group's gross staff costs from operations (including the directors' emoluments) was MOP23.4 million for the six months ended 30 June 2024 (30 June 2023: MOP16.3 million).

The Company adopted a new share option scheme on 25 June 2024 which has compiled with the new definition under Chapter 17 of the Listing Rules which became effective 1 January 2023, so that the Company may grant options to the eligible participants as incentives or rewards for their contribution to the Group.

Since the listing of the Shares, no share option had been granted under the old and new share option schemes.

## **MARKET REVIEW**

Throughout the year 2023, the impact of the COVID-19 pandemic had largely diminished, and Macau's economy had gradually returned to its pre-pandemic level. Looking back at the first half of 2024, the construction industry was still digesting the construction projects left over from 2023. However, most businesses and investors continued to be cautious towards construction and fitting-out works due to uncertain economic outlook. This reflected that Macau's economy remained fragile and market confidence has not been fully restored. Although the recovery of the gaming and tourism industries has led to economic recovery in part, the development of non-gaming industries continued to be affected by the global economic fluctuation and the slowdown of economic growth in Mainland China, and the construction industry has therefore not seen market recovery.

## **OUTLOOK**

The Macau government has showed signs of slowing down in progressing public works construction, at the same time, it has also reduced the investment in some infrastructure projects, resulting in the slower growth of public works in the construction industry. However, the renewal of casino gaming licenses of major gaming companies has stabilized the development direction of the gaming industry, and casinos and large hotels will increase their investment in renovation and fitting-out works for future customers, which will bring certain benefits to the construction industry in Macau, though its scale and sustainability remains to be seen. Looking forward to 2024, the development prospect of Hong Kong's economy remains uncertain. It is hoped that Hong Kong's economy is able to remain stable and positive, as the economic development between Hong Kong and Macau is closely related, particularly the connection between tourism and retail industries.

Overall, Macau's economy will face a complicated situation in the second half of 2024. The continuing recovery of the gaming industry will be an important impetus for driving economic growth in all sectors, while the development of non-gaming industries needs to be monitored consistently. The Group will actively enhance its competitiveness to cope with future challenges.

### **INTERIM DIVIDEND**

The Board resolved not to declare payment of any interim dividend for the six months ended 30 June 2024.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

### **CORPORATE GOVERNANCE CODE**

During the six months ended 30 June 2024, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

### **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions (the "**Securities Dealing Code**"). Specific enquiry has been made with all the Directors and all of them confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the six months ended 30 June 2024.

The Company has also adopted the Securities Dealing Code for securities transactions by employees who, because of their office or employment in the Group, are likely to possess inside information of the Company.

No incident of non-compliance of the Securities Dealing Code by the relevant employees was noted by the Company throughout the six months ended 30 June 2024.

### **AUDIT COMMITTEE**

The audit committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors, namely, Mr. Siu Wing Hay (the chairman of the Audit Committee), Mr. Chan Iok Chun and Dr. Liu Ting Chi.

The Audit Committee has reviewed with the management of the Company the accounting principles and policies adopted by the Group. The interim results announcement of the Group for the six months ended 30 June 2024 has been reviewed by the Audit Committee. The Group's auditor, Messrs. Baker Tilly Hong Kong Limited, has reviewed the unaudited interim condensed consolidated financial information in this announcement.

## **SCOPE OF WORK OF MESSRS. BAKER TILLY HONG KONG LIMITED**

The interim results information for the six months ended 30 June 2024 is unaudited, but has been reviewed by the Group's auditor, Baker Tilly Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA, whose unmodified review report will be included in the interim report to be sent to the shareholders of the Company.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is available on the website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lai-si.com](http://www.lai-si.com)). The interim report of the Company for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be published on the above websites and despatched to the shareholders of the Company as applicable in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business partners and other professional parties for their support during the six months ended 30 June 2024.

By order of the Board  
**Lai Si Enterprise Holding Limited**  
**LAI Ieng Man**  
*Executive Director and Chairman*

Macau, 29 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. LAI Ieng Man, Mr. LAI Meng San, Ms. LAI Ieng Wai and Ms. CHEONG Weng Si, and the independent non-executive directors of the Company are Mr. SIU Wing Hay, Mr. CHAN Iok Chun and Dr. LIU Ting Chi.*