

Hong Kong 香港 • Macau 澳門

**LS** 黎氏建築  
Lai Si Construction

Lai Si Enterprise Holding Limited

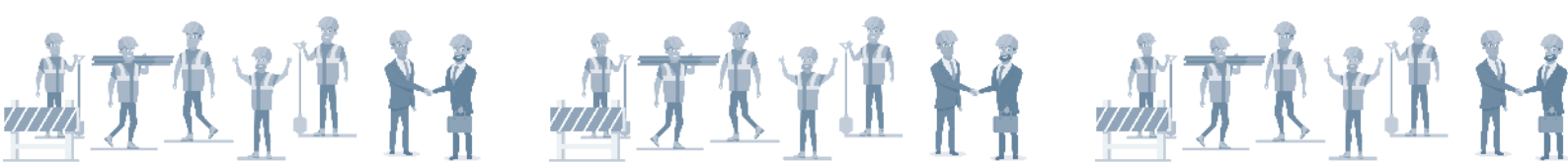
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2266)

INTERIM REPORT  
2023



| 中國 | China | 澳門 | Macau | 香港 | Hong Kong | 新加坡 |



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. LAI Ieng Man (*Chairman*)  
Mr. LAI Meng San (*Chief Executive Officer*)  
Ms. LAI Ieng Wai  
Ms. CHEONG Weng Si

#### Independent Non-Executive Directors

Mr. SIU Wing Hay  
Mr. CHAN Iok Chun  
Dr. LIU Ting Chi

#### AUDIT COMMITTEE

Mr. SIU Wing Hay (*Chairman*)  
Mr. CHAN Iok Chun  
Dr. LIU Ting Chi

#### REMUNERATION COMMITTEE

Dr. LIU Ting Chi (*Chairman*)  
Mr. LAI Ieng Man  
Mr. LAI Meng San  
Mr. SIU Wing Hay  
Mr. CHAN Iok Chun

#### NOMINATION COMMITTEE

Mr. LAI Ieng Man (*Chairman*)  
Ms. LAI Ieng Wai  
Mr. SIU Wing Hay  
Mr. CHAN Iok Chun  
Dr. LIU Ting Chi

#### COMPANY SECRETARY

Mr. LO Hon Kit, CPA

### AUTHORISED REPRESENTATIVES

Mr. LAI Meng San  
Mr. LO Hon Kit, CPA

### REGISTERED OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### HEADQUARTER IN MACAU

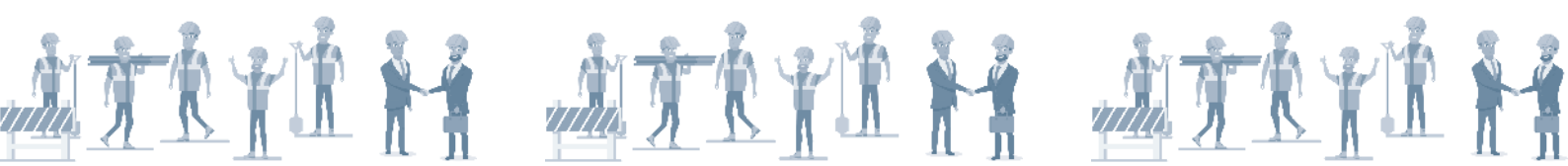
Lai Si Enterprise Centre  
Rua Da Ribeira Do Patane No. 54  
Macau

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

9/F Oriental Crystal Finance Centre  
107-109 Chatham Road South  
Tsimshatsui, Kowloon  
Hong Kong

### AUDITOR

Baker Tilly Hong Kong Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*



## CORPORATE INFORMATION (continued)

### PRINCIPAL BANKERS

Bank of China Macau Branch  
Tai Fung Bank Limited  
Luso International Banking Ltd.

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### STOCK CODE

2266

### COMPANY'S WEBSITE

[www.lai-si.com](http://www.lai-si.com)



## 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 2023, the total value for the new fitting-out projects awarded to the Group, representing the aggregate awarded contract sum, amounted to approximately MOP27.4 million as compared to the six months ended 30 June 2022 of approximately MOP172.1 million. As at 30 June 2023, the Group had an aggregate value of backlog for fitting-out projects and construction projects of approximately MOP72.7 million as compared to approximately MOP148.0 million as at 30 June 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### FINANCIAL REVIEW

#### Revenue

The following table sets forth a breakdown of the Group's revenue during the six months ended 30 June 2023 and 2022 by business segments:

|                              | Six months ended 30 June (Unaudited) |              |         |       |
|------------------------------|--------------------------------------|--------------|---------|-------|
|                              | 2023                                 |              | 2022    |       |
|                              | MOP'000                              | %            | MOP'000 | %     |
| Fitting-out works            | 20,891                               | 69.6         | 49,959  | 76.2  |
| Construction works           | 7,048                                | 23.5         | 13,581  | 20.7  |
| Repair and maintenance works | 2,064                                | 6.9          | 2,005   | 3.1   |
| <b>Total</b>                 | <b>30,003</b>                        | <b>100.0</b> | 65,545  | 100.0 |

During the six months ended 30 June 2023, the Group's revenue decreased by approximately MOP35.5 million or 54.2%. The decrease was attributable to general weak demand in the market resulting from poor economy and delay in project progress due to latest industry practice requirement.

#### 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 2023 and 2022 by business segments:

|                              | Six months ended 30 June (Unaudited) |                             |                                    |  |
|------------------------------|--------------------------------------|-----------------------------|------------------------------------|--|
|                              | 2023                                 |                             | 2022                               |  |
|                              | Gross profit<br>MOP'000              | Gross profit<br>margin<br>% | Gross profit/<br>(loss)<br>MOP'000 | Gross profit/<br>(loss)<br>margin<br>% |
| Fitting-out works            | 3,719                                | 17.8                        | 11,978                             | 24.0                                   |
| Construction works           | 293                                  | 4.2                         | (42)                               | (0.3)                                  |
| Repair and maintenance works | 701                                  | 34.0                        | 191                                | 9.5                                    |
| <b>Total/overall</b>         | <b>4,713</b>                         | <b>15.7</b>                 | 12,127                             | 18.5                                   |



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### FINANCIAL REVIEW (continued)

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

During the six months ended 30 June 2023, the Group's gross profit decreased by approximately MOP7.4 million or 61.1% from approximately MOP12.1 million for the six months ended 30 June 2022 to approximately MOP4.7 million for the six months ended 30 June 2023. The decrease in gross profit was due to decrease in gross profit margin of fitting-out works and poor economy resulting in weak demand.

The Group's gross profit margin decreased from approximately 18.5% for the six months ended 30 June 2022 to approximately 15.7% for the six months ended 30 June 2023. The decrease in gross profit margin was mainly attributable to decrease gross profit margin of fitting-out works for the six months ended 30 June 2023.

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

The Group's other income, gains and losses, net, decreased from approximately MOP1.5 million for the six months ended 30 June 2022 to approximately MOP0.9 million for the six months ended 30 June 2023. The decrease was due to consultancy service income decreased.

#### Administrative expenses

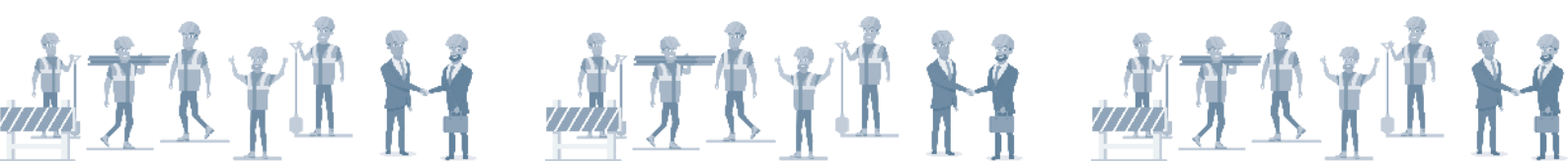
The Group's administrative expenses increased by approximately MOP2.4 million or 18.7% from approximately MOP12.8 million for the six months ended 30 June 2022 to approximately MOP15.2 million for the six months ended 30 June 2023. The increase was due to extra one month salaries paid during the period.

#### 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 2023, there was MOP1.3 million reversal (30 June 2022: MOP1.2 million reversal) under current assessment.

#### Fair value loss on investment properties

The amount approximately MOP0.5 million represented the decrease of market value of the investment properties held as at 30 June 2023 as compared with that as at 31 December 2022.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### FINANCIAL REVIEW (continued)

#### Finance costs

The Group's finance costs were approximately MOP0.5 million for the six months ended 30 June 2023, compared to that for the six months ended 30 June 2022 of approximately MOP0.7 million. The decrease was due to decrease in bank borrowings.

#### Income tax credit

The Group had income tax credit of approximately MOP6,000 for the six months ended 30 June 2023. There was approximately MOP0.1 million income tax expense for the six months ended 30 June 2022. There was no material fluctuation.

#### (Loss)/profit for the period attributable to owners of the Company

As a combined result of the above, the Group's loss for the period attributable to owners of the Company amounted to approximately MOP9.4 million for the six months ended 30 June 2023 as compared to the Group's profit attributable to owners of the Company of approximately MOP0.3 million for the six months ended 30 June 2022.

#### (Loss)/earnings per Share

The Company's loss per Share for the six months ended 30 June 2023 was Macau cents 2.3 (30 June 2022: earnings per Share Macau cents 0.1), representing a decrease in earnings of Macau cents 2.4 per Share. This was in line with loss making situation.

#### Interim dividend

The Board resolved not to declare payment of any interim dividend for the six months ended 30 June 2023 (30 June 2022: Nil).



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### 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 2023, the Group had net current assets of approximately MOP8.9 million, decreased by approximately MOP8.5 million over the net current assets of approximately MOP17.4 million as recorded at 31 December 2022.

As at 30 June 2023, the Group had cash and bank balances of MOP17.7 million (31 December 2022: MOP22.4 million).

As at 30 June 2023, the Group had an aggregate of pledged bank deposits of MOP11.1 million (31 December 2022: MOP14.6 million) that were used to secure banking facilities.

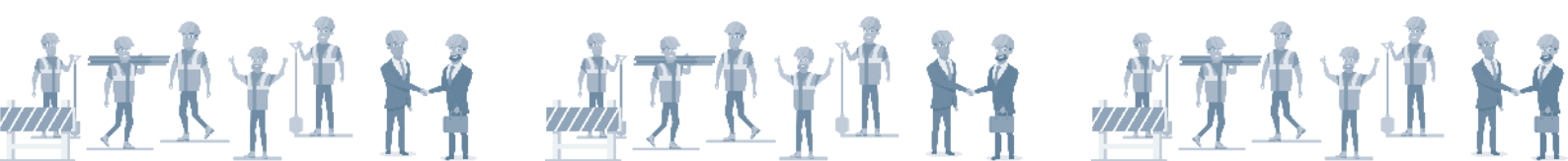
As at 30 June 2023, interest-bearing bank borrowings amounted to MOP30.7 million (31 December 2022: MOP31.0 million) of which MOP4.0 million, MOP2.7 million, MOP8.6 million and MOP15.4 million (31 December 2022: MOP3.6 million, MOP3.1 million, MOP10.1 million and MOP14.2 million) will mature within one 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 2023 (which were also equal to contracted interest rates) was 3.15% to 4.75% (31 December 2022: 3.2% to 4.0%).

The Group continued to maintain a healthy liquidity position. As at 30 June 2023, the Group's current assets and current liabilities were MOP75.4 million (31 December 2022: MOP102.3 million) and MOP66.5 million (31 December 2022: MOP85.0 million), respectively. The Group's current ratio as at 30 June 2023 remained stable at 1.1 (31 December 2022: 1.2). 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 0.27 as at 30 June 2023 (31 December 2022: 0.25). The increase was primarily due to decrease in equity due to loss making situation.

As at 30 June 2023, the share capital and equity attributable to owners of the Company amounted to MOP4.1 million and MOP114.1 million, respectively (31 December 2022: MOP4.1 million and MOP123.5 million, respectively).





## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### CORPORATE FINANCE AND RISK MANAGEMENT (continued)

#### Charge on the Group's assets

As at 30 June 2023, land and building and bank deposits were pledged to secure certain borrowings granted to the Group amounted to MOP75.9 million and MOP11.1 million (31 December 2022: MOP76.3 million and MOP14.6 million), respectively.

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

##### ***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 first hearing date for the lawsuit filed by several flat owners of Sin Fong Garden Building is postponed to start on 17 November 2023. 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 2023. The Controlling Shareholders have undertaken to indemnify the Group against all losses and liabilities arising from the above proceedings.

##### ***Dispute on payment with a subcontractor***

As at 30 June 2023 and 31 December 2022, 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.

Up to the date of approval of this report, the case is not yet scheduled for first hearing. It is under the process of evidence disclosing. After consulting the Group's lawyer, the directors of the Company are of the opinion that it is premature to give any opinion on the case and to make any provision in the interim condensed consolidated financial information as at 30 June 2023.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### CORPORATE FINANCE AND RISK MANAGEMENT (continued)

#### Contingent liabilities and operating lease and capital commitments (continued)

##### **Dispute on payment with a subcontractor**

As at 30 June 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 MOP2,428,000.

The case is scheduled for first hearing on 6 May 2024. 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 2023.

As at 30 June 2023, the Group did not have any capital commitments (31 December 2022: Nil).

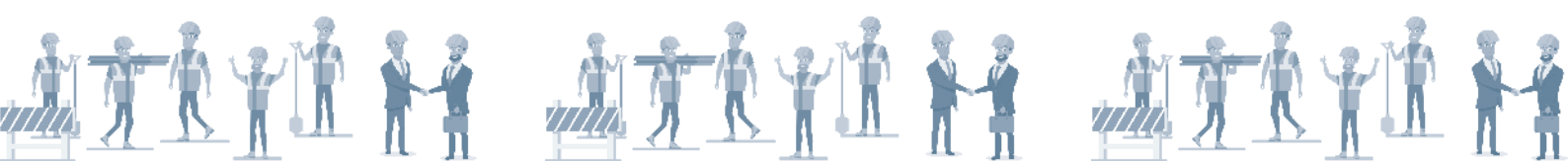
#### Exposure to fluctuations in exchange rates and interest rates and corresponding hedging arrangements

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.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### CORPORATE FINANCE AND RISK MANAGEMENT (continued)

#### 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.

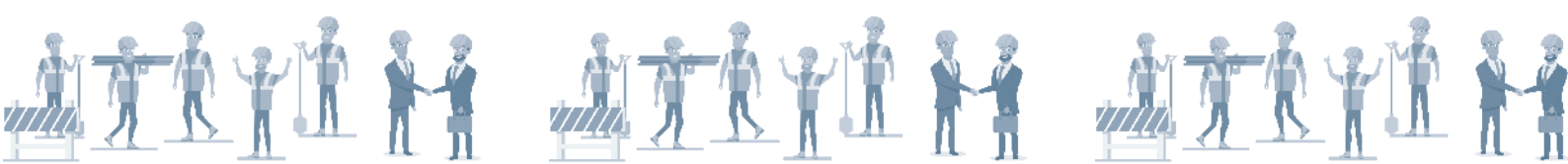
In this regard, the management of the Group considers that credit risk is well taken care and addressed.

The Group is exposed to concentration of credit risk as at 30 June 2023 on trade receivables and contract assets from the Group's five major customers amounting to approximately MOP14.2 million (31 December 2022: MOP38.2 million) and accounted for approximately 37.2% (31 December 2022: 66.3%) 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 are no significant events after 30 June 2023 and up to the date of this report.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the total number of full-time employees of the Group was 131 (31 December 2022: 138).

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 MOP16.3 million for the six months ended 30 June 2023 (30 June 2022: MOP18.4 million).

The Company adopted a share option scheme so that the Company may grant options to the eligible participants (subject to the new definition under Chapter 17 of the Listing Rules which became effective 1 January 2023) as incentives or rewards for their contribution to the Group.

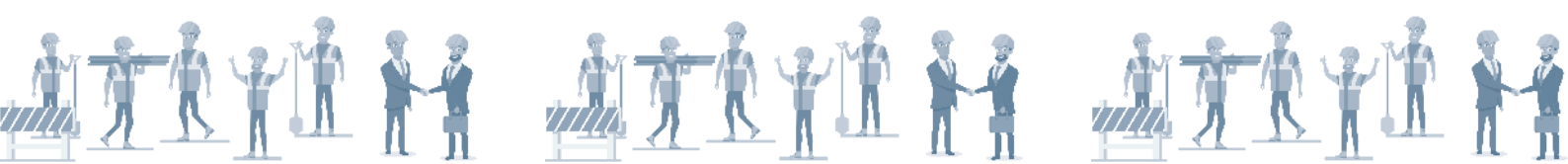
Since the listing of the Shares, no share option had been granted under the share option scheme.

### MARKET REVIEW

After three years of the COVID-19 pandemic, customs closures and quarantine measures have finally come to an end. After the reopening of the border, the flow of people in Macau has doubled, boosting consumption and the overall environment in Macau has started to resume normal from 2023 onwards.

The recovery of various industries in Macau is evident. Among them, the upstream clients of the engineering industry, namely the tourism, gaming, hotel and catering sectors, have shown faster recovery with a noticeable increase in foot traffic. The engineering industry as a whole also shows signs of recovery, although at a slower pace compared to the above sectors. There are a number of factors involved: Firstly, engineering investors are currently in the recovery stage. Even if investors are willing to invest in new project, whether it is a renovation project or a construction project, it takes time for careful planning and preparation in the early stages, including aspects such as design, submission, approval and tender, before the project move into the final stage of construction. Secondly, the Land and Urban Construction Bureau revised the approval system at the end of 2022, stipulating that all alteration works must be reviewed and approved and construction can only be carried out after the issuance of a project license. This system has also led to delay in project progress.

Currently, the Company is preparing for a number of projects. It is believed that the approval process will be completed and construction will commence in the near future. At that time, the Company's performance is expected to increase, which in turn lead to an increase in profit.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### OUTLOOK

From 2023 onwards, Macau is gradually stepping out of the shadow of the COVID-19 pandemic and embarking on the path to recovery. The Group will continue to lead the team and work together to enter the second half of 2023.

Currently, the Group is actively preparing for several construction projects. According to the progress of project approval in the first half of the year, it is expected that some projects will be approved in the second half of the year and the increase in project volume will drive the results of the Group to rise. Besides, the Group is also focusing on seeking opportunities in local government projects. Although Chinese construction companies dominate the current government projects, the Group plans to collaborate with Chinese construction companies to jointly participate in government construction, so as to obtain more project opportunities. As for Hong Kong, due to the approval process for projects in Hong Kong is relatively simple, so the pace of recovery of engineering industry in Hong Kong is faster than that in Macau. The performance of the Hong Kong branch in the first half of 2023 was significantly improved compared with the epidemic period. It is believed that, taking advantage of this momentum, our business will continue to flourish in the second half of the year.

In order to achieve sustainable development of Lai Si Construction, the Group has started to develop the Greater Bay Area market and plans to set up and operate a subsidiary in Zhuhai in the second half of the year. The Group has always maintained a cautiously optimistic attitude towards the development in China, and will actively expand its business in the Greater Bay Area. In addition, the Group will continue to expand into overseas markets, focusing on Southeast Asia, and gradually radiate the world.



## OTHER INFORMATION

### INTERIM DIVIDEND

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

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2023, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

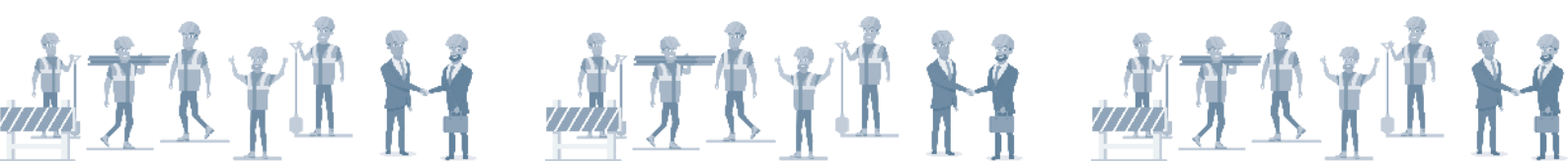
#### I. Interests in the Company

| Name of Director | Nature of interest                                   | Number of Shares interested | Percentage of interest |
|------------------|--|-----------------------------|------------------------|
| Mr. Lai leng Man | Interest in controlled corporation <sup>(Note)</sup> | 300,000,000                 | 75%                    |

Note: As Mr. Lai leng Man is entitled to control one-third or more of the voting power at general meetings of SHK-Mac Capital Limited ("SHKMCL"), Mr. Lai is deemed to be interested in these 300,000,000 Shares under the SFO.

#### II. Interests in the associated corporation of the Company

| Name of Directors | Name of associated corporation | Nature of interest  | Number of shares interested | Percentage of interest |
|-------------------|--------------------------------|---------------------|-----------------------------|------------------------|
| Mr. Lai leng Man  | SHKMCL                         | Beneficial interest | 50                          | 50%                    |
| Mr. Lai Meng San  | SHKMCL                         | Beneficial interest | 30                          | 30%                    |
| Ms. Lai leng Wai  | SHKMCL                         | Beneficial interest | 20                          | 20%                    |



## OTHER INFORMATION (continued)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (continued)

Save as disclosed above, as at 30 June 2023, there were no other interests or short positions of the Directors or the chief executive of the Company in the shares or underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) or pursuant to section 352 of the SFO, required to be recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

| Name of shareholder      | Nature of interest  | Number of Shares held | Percentage of interest |
|--------------------------|---------------------|-----------------------|------------------------|
| SHKMCL <sup>(Note)</sup> | Beneficial interest | 300,000,000           | 75%                    |

Note: SHKMCL is owned as to 50% by Mr. Lai leng Man, 30% by Mr. Lai Meng San and 20% by Ms. Lai leng Wai.

Save as disclosed above, as at 30 June 2023, the Company had not been notified by any persons (other than the Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

### SHARE OPTION SCHEME

The Company has adopted a Share Option Scheme on 18 January 2017 to enable the Company to grant share options to eligible persons so as to recognise and acknowledge the contributions they have or may have made to the Group. Since the Listing, no share option had been granted under the Share Option Scheme.

As at each of 1 January 2023 and 30 June 2023, the number of options available for grant under the Share Option Scheme was 40,000,000.



## OTHER INFORMATION (continued)

### CHANGES IN DIRECTOR'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, below are the changes in the information of the Director:

- (1) Mr. Lai Meng San ceased to be the vice president of the Guangzhou Youth Federation (廣州市青年聯合會) in April 2023.
- (2) Mr. Lai Meng San ceased to be the Chief Officer of the Macau Construction Association Youth Council (澳門建造商會青年委員會) in July 2023.

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

### CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2023, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code 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 2023.

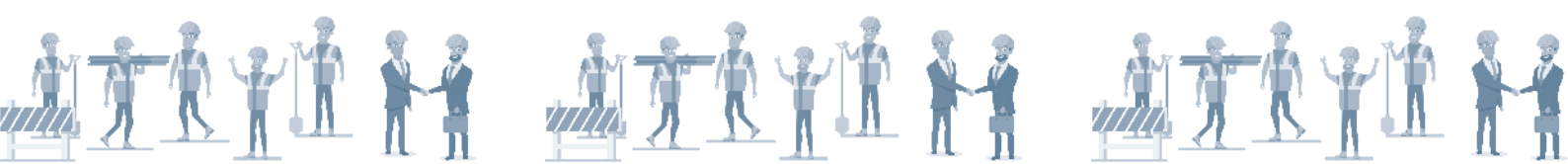
The Company has also adopted the Securities Dealing Code for securities transactions by employees who, because of their office or employment in the Group, are likely to possess inside information of the Company. No incident of non-compliance of the Securities Dealing Code by the relevant employees was noted by the Company throughout the six months ended 30 June 2023.

### 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 Lok 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 report of the Group for the six months ended 30 June 2023 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 interim report.





## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL INFORMATION



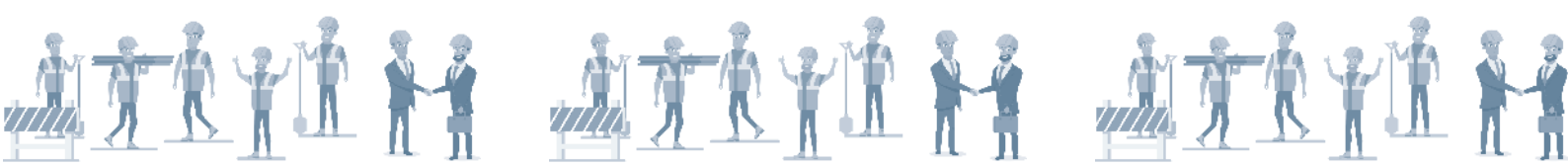
**To the board of directors of Lai Si Enterprise Holding Limited**  
(Incorporated in the Cayman Islands with limited liability)

### INTRODUCTION

We have reviewed the condensed consolidated financial information of Lai Si Enterprise Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 18 to 42, which comprise the interim condensed consolidated statement of financial position as of 30 June 2023 and the related interim condensed consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial information are not prepared, in all material respects, in accordance with HKAS 34.

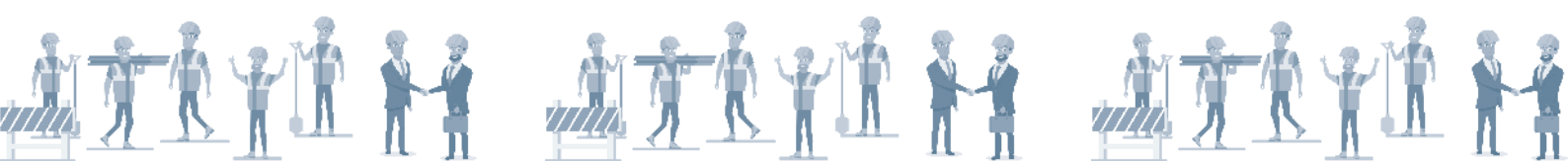
#### **Baker Tilly Hong Kong Limited**

Certified Public Accountants

Hong Kong, 31 August 2023

Tong Wai Hang

Practising certificate number P06231



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2023  
(Expressed in Macau Pataca)

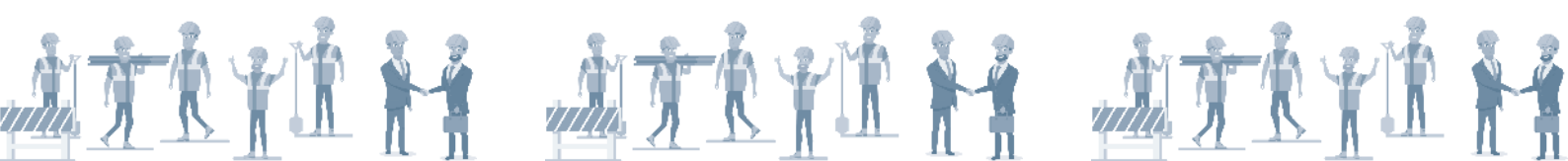
|   | Notes | <b>2023</b><br><b>MOP'000</b><br><b>(Unaudited)</b> | 2022<br>MOP'000<br>(Unaudited) |
|---|-------|---|--------------------------------|
| Revenue   | 4     | <b>30,003</b>                                       | 65,545                         |
| Cost of sales   |       | <b>(25,290)</b>                                     | (53,418)                       |
| <b>Gross profit</b>   |       | <b>4,713</b>  | 12,127                         |
| Other income, gains and losses, net                                       |       | <b>854</b>  | 1,467                          |
| Administrative expenses   |       | <b>(15,222)</b>                                     | (12,826)                       |
| Reversal of impairment losses on financial assets and contract assets     | 5     | <b>1,299</b>  | 1,213                          |
| Changes in fair value of investment properties                            |       | <b>(515)</b>  | (1,133)                        |
| Share of loss of an associate   |       | <b>(6)</b>  | (10)                           |
| Finance costs   |       | <b>(496)</b>  | (657)                          |
| <b>(LOSS)/PROFIT BEFORE TAX</b>   | 5     | <b>(9,373)</b>                                      | 181                            |
| Income tax credit   | 6     | <b>6</b>  | 97                             |
| <b>(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> |       | <b>(9,367)</b>                                      | 278                            |
|   |       | <b>Macau cents</b>                                  | Macau cents                    |
| <b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>    |       |   |                                |
| <b>Basic and diluted</b>  |       |   |                                |
| - For (loss)/profit for the period  | 8     | <b>(2.3)</b>  | 0.1                            |



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2023  
(Expressed in Macau Pataca)

|   | 2023<br>MOP'000<br>(Unaudited) | 2022<br>MOP'000<br>(Unaudited) |
|---|--------------------------------|--------------------------------|
| <b>(LOSS)/PROFIT FOR THE PERIOD</b>   | <b>(9,367)</b>                 | 278                            |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>  |                                |                                |
| Other comprehensive income/(loss) 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   | <b>39</b>                      | (17)                           |
| Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods | <b>39</b>                      | (17)                           |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>   | <b>39</b>                      | (17)                           |
| <b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>               | <b>(9,328)</b>                 | 261                            |



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023  
(Expressed in Macau Pataca)

|  | Notes | <b>30 June<br/>2023<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2022<br>MOP'000<br>(Audited) |
|--|-------|---|---|
| <b>NON-CURRENT ASSETS</b>  |       |   |   |
| Property, plant and equipment  | 9     | <b>76,174</b>                                       | 76,632                                      |
| Investment properties  |       | <b>24,308</b>                                       | 24,823                                      |
| Investment in an associate   |       | <b>6,908</b>  | 6,914                                       |
| Equity investments designated at fair value through other comprehensive income |       | <b>1,432</b>  | 1,393                                       |
| <b>Total non-current assets</b>  |       | <b>108,822</b>                                      | 109,762                                     |
| <b>CURRENT ASSETS</b>  |       |   |   |
| Trade receivables  | 10    | <b>8,122</b>  | 21,916                                      |
| Contract assets  | 11    | <b>30,098</b>                                       | 35,789                                      |
| Prepayments, other receivables and other assets                                |       | <b>8,312</b>  | 7,596                                       |
| Amount due from the ultimate holding company                                   | 16(b) | <b>1</b>  | 1   |
| Pledged bank deposits  |       | <b>11,128</b>                                       | 14,648                                      |
| Cash and bank balances   |       | <b>17,739</b>                                       | 22,386                                      |
| <b>Total current assets</b>  |       | <b>75,400</b>                                       | 102,336                                     |
| <b>CURRENT LIABILITIES</b>   |       |   |   |
| Trade payables   | 12    | <b>12,127</b>                                       | 25,694                                      |
| Contract liabilities   |       | <b>9,877</b>  | 15,321                                      |
| Other payables and accruals  |       | <b>13,731</b>                                       | 12,906                                      |
| Interest-bearing bank borrowings   |       | <b>30,690</b>                                       | 31,046                                      |
| Tax payable  |       | <b>56</b>   | -   |
| <b>Total current liabilities</b>   |       | <b>66,481</b>                                       | 84,967                                      |
| <b>NET CURRENT ASSETS</b>  |       | <b>8,919</b>  | 17,369                                      |
| <b>Total assets less current liabilities</b>                                   |       | <b>117,741</b>                                      | 127,131                                     |



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

as at 30 June 2023  
(Expressed in Macau Pataca)

|                                      | Notes | <b>30 June<br/>2023<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2022<br>MOP'000<br>(Audited) |
|--------------------------------------|-------|---|---|
| <b>NON-CURRENT LIABILITIES</b>       |       |   |   |
| Deferred tax liabilities             |       | <b>3,596</b>  | 3,658                                       |
| <b>Total non-current liabilities</b> |       | <b>3,596</b>  | 3,658                                       |
| <b>Net assets</b>                    |       | <b>114,145</b>                                      | 123,473                                     |
| <b>EQUITY</b>                        |       |   |   |
| Share capital                        | 13    | <b>4,120</b>  | 4,120                                       |
| Reserves                             |       | <b>110,025</b>                                      | 119,353                                     |
| <b>Total equity</b>                  |       | <b>114,145</b>                                      | 123,473                                     |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2023  
(Expressed in Macau Pataca)

|   | Attributable to owners of the Company |                |                       |                       |                       |                            |                      |                   |         |
|---|---------------------------------------|----------------|-----------------------|-----------------------|-----------------------|----------------------------|----------------------|-------------------|---------|
|   | Share capital                         | Share premium* | Legal reserve*        | Other reserve*        | Merger reserve*       | Asset revaluation reserve* | Fair value reserve*  | Accumulated loss* | Total   |
|   | MOP'000                               | MOP'000        | MOP'000<br>(Note (a)) | MOP'000<br>(Note (b)) | MOP'000<br>(Note (c)) | MOP'000<br>(Note (d))      | MOP'000<br>(note(e)) | MOP'000           | MOP'000 |
| At 1 January 2023 (audited)   | 4,120                                 | 105,390        | 50                    | (5,098)               | 85                    | 20,499                     | 13                   | (1,586)           | 123,473 |
| Loss for the period and total comprehensive loss for the period     | -                                     | -              | -                     | -                     | -                     | -                          | 39                   | (9,367)           | (9,328) |
| At 30 June 2023 (unaudited)   | 4,120                                 | 105,390        | 50                    | (5,098)               | 85                    | 20,499                     | 52                   | (10,953)          | 114,145 |
| At 1 January 2022 (audited)   | 4,120                                 | 105,390        | 50                    | (5,098)               | 85                    | 20,499                     | -                    | (6,902)           | 118,144 |
| Profit for the period and total comprehensive income for the period | -                                     | -              | -                     | -                     | -                     | -                          | (17)                 | 278               | 261     |
| At 30 June 2022 (unaudited)   | 4,120                                 | 105,390        | 50                    | (5,098)               | 85                    | 20,499                     | (17)                 | (6,624)           | 118,405 |

Notes:

- (a) In accordance with Article 377 of the Commercial Code of the Macau Special Administrative Region, the subsidiaries registered in Macau are required to transfer part of their profits of each accounting period of not less than 25% to legal reserve, until the amount reaches half of the respective share capital. This reserve is not distributable to the respective shareholders.
- (b) Other reserve represents the fair value adjustments recognised in equity as deemed distribution to the Controlling Shareholders (as defined in the Group's 2017 Annual Report) for advances to certain related parties in which the Controlling Shareholders have joint control or control.
- (c) The merger reserve represented the difference between the aggregate share capital of Lai Si (HK), Lai Si and Well Team (as defined in Note 1) amounting to MOP85,000 (which were transferred from the Controlling Shareholders to LSHKHL, LSMAHL and WTMAHL (as defined in Note 1) pursuant to the reorganisation (as defined and set out in the Group's 2017 Annual Report) and the aggregate cash consideration of MOP30.
- (d) The asset revaluation reserve, net of tax, arose from a change in use from owner-occupied properties to investment properties carried at fair value in 2018.
- (e) The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at fair value through other comprehensive income under HKFRS 9 that are held at the end of the reporting period.

\* These reserve accounts comprise the consolidated reserves of MOP110,025,000 (31 December 2022: MOP119,353,000) in the condensed consolidated statement of financial position.

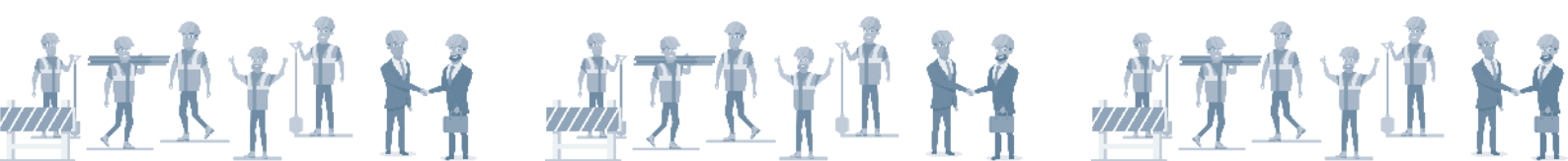


## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2023  
(Expressed in Macau Pataca)

| Notes                                       | 2023<br>MOP'000<br>(Unaudited) | 2022<br>MOP'000<br>(Unaudited) |
|---|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities</b> |                                |                                |
|   | <b>(9,373)</b>                 | 181                            |
| (Loss)/profit before tax:                   |                                |                                |
| Adjustments for:                            |                                |                                |
|   | <b>496</b>                     | 657                            |
|   |                                | 10                             |
|   | <b>(473)</b>                   | (105)                          |
| 5   | <b>458</b>                     | 507                            |
|   |                                | 507                            |
| 5   | <b>(1,299)</b>                 | (1,213)                        |
| 5   | <b>-</b>                       | 31                             |
|   | <b>515</b>                     | 1,133                          |
|   | <b>(9,670)</b>                 | 1,201                          |
|   | <b>-</b>                       | 3,360                          |
|   | <b>14,525</b>                  | (12,156)                       |
|   | <b>6,259</b>                   | (10,013)                       |
|   | <b>(716)</b>                   | 1,580                          |
|   | <b>(13,567)</b>                | (7,054)                        |
|   | <b>(5,444)</b>                 | 6,048                          |
|   | <b>825</b>                     | 267                            |
|   | <b>(7,788)</b>                 | (16,767)                       |
| <b>Cash flows from investing activities</b> |                                |                                |
|   | <b>473</b>                     | 105                            |
|   | <b>(6,639)</b>                 | 4,115                          |
|   | <b>3,520</b>                   | (616)                          |
|   | <b>(2,646)</b>                 | 3,604                          |
| <b>Cash flows from financing activities</b> |                                |                                |
|   | <b>(31,509)</b>                | (2,190)                        |
|   | <b>30,000</b>                  | 6,592                          |
|   | <b>(496)</b>                   | (657)                          |
|   | <b>(2,005)</b>                 | 3,745                          |





## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

for the six months ended 30 June 2023  
(Expressed in Macau Pataca)

| Notes   | <b>2023</b><br><b>MOP'000</b><br><b>(Unaudited)</b> | 2022<br>MOP'000<br>(Unaudited) |
|---|---|--------------------------------|
| <b>Net decrease in cash and cash equivalents</b>                          | <b>(12,439)</b>                                     | (9,418)                        |
| Cash and cash equivalents at beginning of period                          | <b>18,257</b>                                       | 7,387                          |
| <b>Cash and cash equivalents at end of period</b>                         | <b>5,818</b>  | (2,031)                        |
| <b>Analysis of balances of cash and cash equivalents</b>                  |   |                                |
| Cash and bank balances as stated in the statement of financial position   | <b>17,739</b>                                       | 2,337                          |
| Bank deposits with original maturity over three months                    | <b>(10,768)</b>                                     | -                              |
| Bank overdrafts included in interest-bearing bank borrowings              | <b>(1,153)</b>                                      | (4,368)                        |
| <b>Cash and cash equivalents as stated in the statement of cash flows</b> | <b>5,818</b>  | (2,031)                        |



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Macau Pataca)

## 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 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.

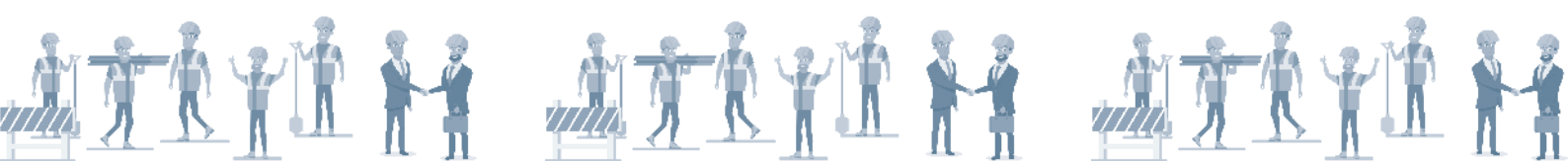
The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”), are principally engaged in fitting-out, alteration and addition works, construction works and repair and maintenance services.

In the opinion of the directors, the Company’s immediate and ultimate holding company is SHK-Mac Capital Limited (“SHKMCL”), a company incorporated in the British Virgin Islands (“BVI”) with limited liability.

### Information about subsidiaries

Particulars of all the Company’s subsidiaries are as follows:

| Name   | Place of incorporation/ registration and business | Registered capital/issued and fully paid-up share capital | Percentage of equity attributable to the Company |      | Principal activities   |
|--|---|---|--|------|--|
|  |   |   | 2023   | 2022 |  |
| LSMA Holding Limited* (“LSMAHL”)                             | The BVI   | United States Dollars (“USD”) 10                          | 100%   | 100% | Investment holding   |
| WTMA Holding Limited* (“WTMAHL”)                             | The BVI   | USD10   | 100%   | 100% | Investment holding   |
| LSHK Holding Limited* (“LSHKHL”)                             | The BVI   | USD10   | 100%   | 100% | Investment holding   |
| Lai Si Construction & Engineering Company Limited (“Lai Si”) | Macau   | MOP50,000   | 100%   | 100% | Construction works, fitting-out works and provision of repair and maintenance services |



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 1 CORPORATE AND GROUP INFORMATION (continued)

#### Information about subsidiaries (continued)

Particulars of all the Company's subsidiaries are as follows: (continued)

| Name  | Place of incorporation/ registration and business | Registered capital/issued and fully paid-up share capital | Percentage of equity attributable to the Company |      | Principal activities   |
|---|---|---|--|------|--|
|   |   |   | 2023   | 2022 |  |
| Well Team Engineering Company Limited ("Well Team")             | Macau   | MOP25,000   | 100%   | 100% | Holding of an office building  |
| Lai Si Mechanical and Electrical Engineering Company Limited    | Macau   | MOP25,000   | 100%   | 100% | Mechanical and electrical engineering and provision of repair and maintenance services |
| High Class Investment Company Limited                           | Macau   | MOP25,000   | 100%   | 100% | Investment holding   |
| Lai Si Construction (Hong Kong) Company Limited ("Lai Si (HK)") | Hong Kong   | HK\$10,000  | 100%   | 100% | Construction works, fitting-out works and provision of repair and maintenance services |

\* Directly held by the Company

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 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 2022.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

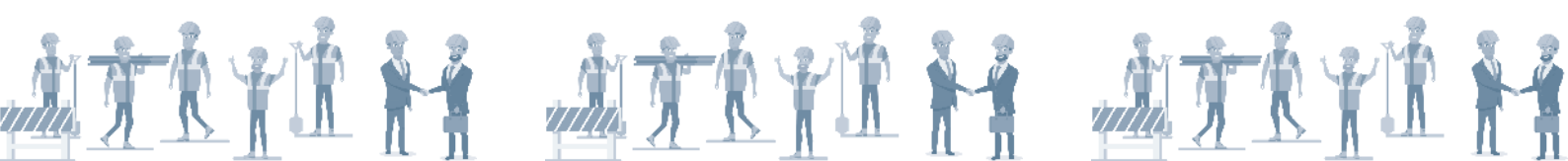
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following 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.

|  |   |
|--|---|
| HKFRS 17   | Insurance Contracts   |
| Amendments to HKFRS 17                                 | Insurance Contracts   |
| Amendment to HKFRS 17                                  | Initial Application of HKFRS 17 and HKFRS 9 –<br>Comparative Information            |
| Amendments to HKAS 1 and<br>HKFRS Practice Statement 2 | Disclosure of Accounting Policies   |
| Amendments to HKAS 8                                   | Definition of Accounting Estimates  |
| Amendments to HKAS 12                                  | Deferred Tax related to Assets and Liabilities arising<br>from a Single Transaction |
| Amendments to HKAS 12                                  | International Tax Reform – Pillar Two Model Rules                                   |

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

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (c) Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any impact on the financial position or performance of the Group.
  
- (d) Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 3 OPERATING SEGMENT INFORMATION

Six months ended 30 June 2023

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 3 OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 June 2022

|   | 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>Segment revenue</b>  |  |   |   |                                 |
| Sales to external customers   | 49,959   | 13,581  | 2,005   | 65,545                          |
| <b>Segment results</b>  |  |   |   |                                 |
| Corporate expenses  | 11,844   | (70)  | 185   | (12,658)                        |
| Other income, gains and losses, net   |  |   |   | 1,467                           |
| Reversal of impairment losses on<br>financial assets and contract<br>assets |  |   |   | 1,213                           |
| Changes in fair value of investment<br>properties                           |  |   |   | (1,133)                         |
| Share of loss of an associate   |  |   |   | (10)                            |
| Finance costs   |  |   |   | (657)                           |
| Profit before tax   |  |   |   | 181                             |

No analysis of segment asset and segment liability is presented as management does not regularly review such information for the purpose of resources allocation and performance assessment.

### 4 REVENUE

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

|  | For the six months<br>ended 30 June |                                |
|--|-------------------------------------|--------------------------------|
|  | 2023<br>MOP'000<br>(Unaudited)      | 2022<br>MOP'000<br>(Unaudited) |
| <i>Revenue from contracts with customers</i> |                                     |                                |
| Fitting-out, alteration and addition works   | <b>20,891</b>                       | 49,959                         |
| Construction works                           | <b>7,048</b>                        | 13,581                         |
| Repair and maintenance services              | <b>2,064</b>                        | 2,005                          |
|  | <b>30,003</b>                       | 65,545                         |



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 4 REVENUE (continued)

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

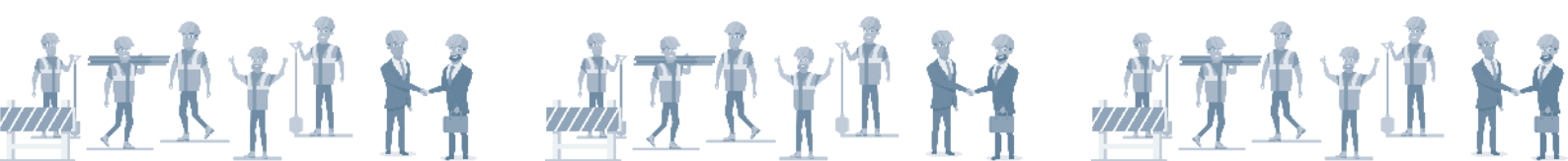
For the six months ended 30 June 2023

| Segments                                    | Fitting-out, alteration and addition works<br>MOP'000<br>(Unaudited) | Construction works<br>MOP'000<br>(Unaudited) | Repair and maintenance 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                           |
| Total revenue from contracts with customers | 20,891   | 7,048  | 2,064   | 30,003                          |
| <b>Timing of revenue recognition</b>        |  |  |   |                                 |
| Services transferred over time              | 20,891   | 7,048  | -   | 27,939                          |
| Services transferred at a point in time     | -  | -  | 2,064   | 2,064                           |
| Total revenue from contracts with customers | 20,891   | 7,048  | 2,064   | 30,003                          |

For the six months ended 30 June 2022

| Segments                                    | Fitting-out, alteration and addition works<br>MOP'000<br>(Unaudited) | Construction works<br>MOP'000<br>(Unaudited) | Repair and maintenance services<br>MOP'000<br>(Unaudited) | Total<br>MOP'000<br>(Unaudited) |
|---|--|--|---|---------------------------------|
| <b>Geographical markets</b>                 |  |  |   |                                 |
| Macau                                       | 46,861   | 13,581                                       | 1,874   | 62,316                          |
| Hong Kong                                   | 3,098  | -  | 131   | 3,229                           |
| Total revenue from contracts with customers | 49,959   | 13,581                                       | 2,005   | 65,545                          |
| <b>Timing of revenue recognition</b>        |  |  |   |                                 |
| Services transferred over time              | 49,959   | 13,581                                       | -   | 63,540                          |
| Services transferred at a point in time     | -  | -  | 2,005   | 2,005                           |
| Total revenue from contracts with customers | 49,959   | 13,581                                       | 2,005   | 65,545                          |





## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 5 (LOSS)/PROFIT BEFORE TAX

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

|  | For the six months<br>ended 30 June |                                |
|--|-------------------------------------|--------------------------------|
|  | 2023<br>MOP'000<br>(Unaudited)      | 2022<br>MOP'000<br>(Unaudited) |
| Cost of services provided*   | <b>25,290</b>                       | 53,418                         |
| Depreciation of property, plant and equipment                          | <b>458</b>                          | 507                            |
| Loss on written-off of items of property, plant and equipment          | <b>-</b>                            | 31                             |
| Reversal of impairment losses on financial assets and contract assets: |                                     |                                |
| Reversal of impairment losses on trade receivables                     | <b>(731)</b>                        | (795)                          |
| Reversal of impairment losses on contract assets                       | <b>(568)</b>                        | (418)                          |
|  | <b>(1,299)</b>                      | (1,213)                        |
| Foreign exchange differences, net                                      | <b>36</b>                           | 426                            |

\* Included in cost of services provided are the staff costs incurred in the amount of approximately MOP6,695,000 (six months ended 30 June 2022: MOP10,805,000).



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 6 INCOME TAX

Macau complementary tax has been provided at progressive rates up to 12% on the estimated taxable profits arising in Macau and there are no assessable profits arising in Hong Kong during both current and prior period.

|                                 | For the six months ended 30 June |                                |
|---------------------------------|----------------------------------|--------------------------------|
|                                 | 2023<br>MOP'000<br>(Unaudited)   | 2022<br>MOP'000<br>(Unaudited) |
| Current - Macau                 |                                  |                                |
| - Charge for the period         | 56                               | 39                             |
| Deferred                        | (62)                             | (136)                          |
| Total tax credit for the period | (6)                              | (97)                           |

### 7 DIVIDENDS

No dividend has been paid or declared by the Group during the six months ended 30 June 2023 and 2022.

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

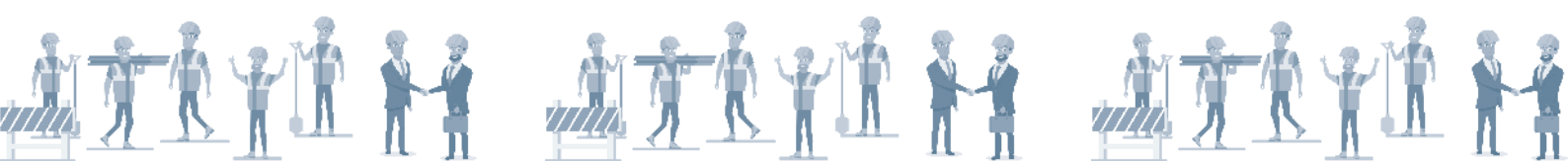
The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 400,000,000 (six months ended 30 June 2022: 400,000,000) in issue during the six months ended 30 June 2023.

The Group's loss for the period attributable to owners of the Company was MOP9,367,000 (six months ended 30 June 2022: profit of MOP278,000).

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2023 and 2022.

### 9 PROPERTY, PLANT AND EQUIPMENT

Assets with a net book value of MOP31,000 was written off by the Group during the six months ended 30 June 2022, resulting in a net loss on written off of items of property, plant and equipment.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 10 TRADE RECEIVABLES

|                   | <b>30 June<br/>2023<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2022<br>MOP'000<br>(Audited) |
|-------------------|---|---|
| Trade receivables | <b>29,586</b>                                       | 44,111                                      |
| Impairment        | <b>(21,464)</b>                                     | (22,195)                                    |
|                   | <b>8,122</b>  | 21,916                                      |

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.

Included in the Group's trade receivables are amounts due from related parties of MOP554,000 (31 December 2022: MOP948,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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<br/>2023<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2022<br>MOP'000<br>(Audited) |
|--------------------|---|---|
| Within 1 month     | <b>2,056</b>  | 13,062                                      |
| 1 to 2 months      | <b>2,121</b>  | 5,273                                       |
| 2 to 3 months      | <b>786</b>  | 233   |
| 3 to 6 months      | <b>932</b>  | 686   |
| 6 months to 1 year | <b>1,155</b>  | 2,662                                       |
| Over 1 year        | <b>1,072</b>  | -   |
|                    | <b>8,122</b>  | 21,916                                      |



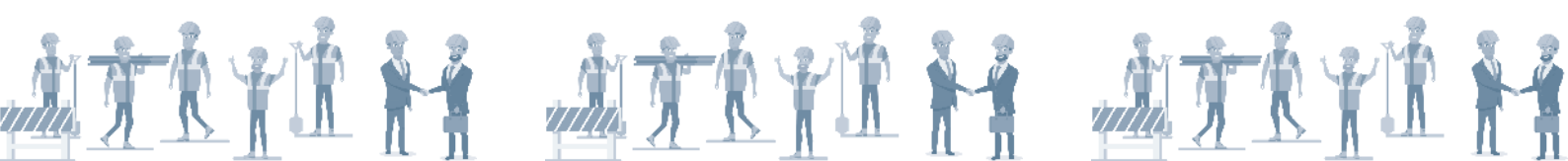
## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 11 CONTRACT ASSETS

|  | <b>30 June<br/>2023<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2022<br>MOP'000<br>(Audited) |
|--|---|---|
| Contract assets arising from:              |   |   |
| Fitting-out, alteration and addition works | <b>59,547</b>                                       | 63,772                                      |
| Construction works                         | <b>3,172</b>  | 5,206                                       |
|  | <b>62,719</b>                                       | 68,978                                      |
| Impairment                                 | <b>(32,621)</b>                                     | (33,189)                                    |
|  | <b>30,098</b>                                       | 35,789                                      |

Contract assets are initially recognised for revenue earned from the provision of related fitting-out, alteration and addition works and construction works as the receipt of consideration is conditional on successful completion of the works. Included in contract assets for fitting-out, alteration and addition works and construction works are retention receivables. Upon completion of the work and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The slight decrease in contract assets in 2023 was resulted from the transfer to trade receivables upon the completion of the work and acceptance by the customers. During the six months ended 30 June 2023, reversal of impairment losses on contract assets of MOP568,000 (six months ended 30 June 2022: MOP418,000) was recognised. The Group's trading terms and credit policy with customers are disclosed in note 10 to the interim condensed consolidated financial information.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 12 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<br/>2023<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2022<br>MOP'000<br>(Audited) |
|----------------|---|---|
| Within 1 month | <b>1,301</b>  | 5,754                                       |
| 1 to 2 months  | <b>569</b>  | 5,815                                       |
| 2 to 3 months  | <b>759</b>  | 3,787                                       |
| Over 3 months  | <b>9,498</b>  | 10,338                                      |
|                | <b>12,127</b>                                       | 25,694                                      |

### 13 SHARE CAPITAL

|   | <b>30 June<br/>2023<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2022<br>MOP'000<br>(Audited) |
|---|---|---|
| Issued and fully paid:<br>400,000,000 (2022: 400,000,000) ordinary shares | <b>4,120</b>  | 4,120                                       |

There were no movements in the Company's share capital during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 14 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 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 first hearing date for the lawsuit filed by several flat owners of Sin Fong Garden Building is postponed to start on 17 November 2023. 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 2023. 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 2023 and 31 December 2022, 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.

Up to the date of approval of this interim report, the case is not yet scheduled for first hearing. It is under the process of evidence disclosing. After consulting the Group’s lawyer, the directors of the Company are of the opinion that it is premature to give any opinion on the case and to make any provision in the interim condensed consolidated financial information as at 30 June 2023.

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

As at 30 June 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 MOP2,428,000.

The case is scheduled for first hearing on 6 May 2024. 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 2023.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 15 PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to secure the bank borrowings, bank overdrafts and credit facilities granted to the Group:

|  | <b>30 June<br/>2023<br/>MOP'000<br/>(Unaudited)</b> | 31 December<br>2022<br>MOP'000<br>(Audited) |
|--|---|---|
| Land and buildings included in property, plant and equipment | <b>75,934</b>                                       | 76,323                                      |
| Pledged bank deposits (Note)                                 | <b>11,128</b>                                       | 14,648                                      |
|  | <b>87,062</b>                                       | 90,971                                      |

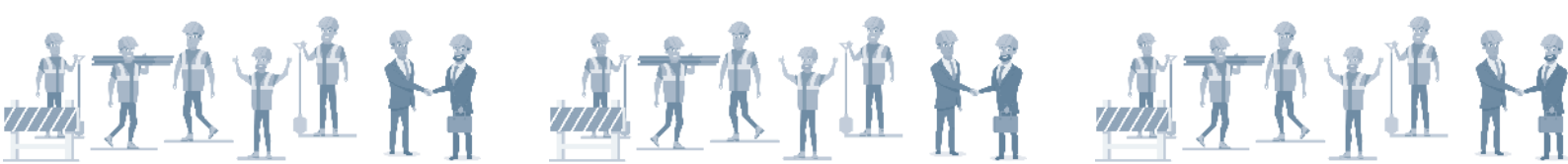
Note: Pledged bank deposits were pledged to secure the Group's banking facilities.

### 16 RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in this condensed consolidated financial information, the Group had the following transactions with related parties during the period:

|  | <b>For the six months<br/>ended 30 June</b> |                                |
|--|---|--------------------------------|
|  | <b>2023<br/>MOP'000<br/>(Unaudited)</b>     | 2022<br>MOP'000<br>(Unaudited) |
| Lai Si Construction (Thailand) Company Limited (Note i)<br>- Consultancy service income* | -   | 1,133                          |
| Easy Storage Company Limited (Note ii)<br>- Fitting-out work income                      | -   | 865                            |
| Ou Wai Health Company Limited (Note iii)<br>- Fitting-out work income*                   | -   | 41                             |
| - Repair and maintenance services income*  | -   | 106                            |

The above transactions were conducted on terms and conditions mutually agreed between the relevant parties.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 16 RELATED PARTY TRANSACTIONS (continued)

- (a) In addition to the transactions detailed elsewhere in this condensed consolidated financial information, the Group had the following transactions with related parties during the period:  
(continued)

Notes:

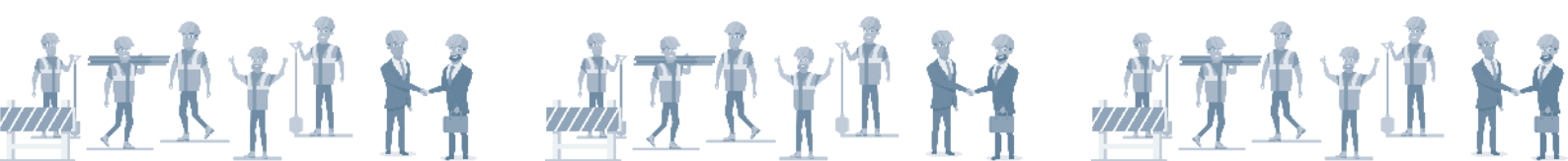
- (i) Mr. Lai Meng San and Ms. Lai Ieng Wai, executive directors of the Company, jointly held 49% equity interest in this related company.
- (ii) Mr. Lai Meng San, executive director of the Company, held 25% equity interest in this related company.
- (iii) Mr. Lai Meng San, executive director of the Company and Mr. Chan Lok Chun, independent non-executive director of the Company, jointly held 42% equity interest in this related company.

\* These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

- (b) Outstanding balances with related parties:

- (i) The Group had an outstanding balance due from its ultimate holding company of MOP1,000 (31 December 2022: MOP1,000) which is unsecured, non-interest-bearing and repayable on demand.
- (ii) The Group had an outstanding balance due from its related company, Lai Si Construction (Singapore) Pte. Limited, of MOP374,000 (31 December 2022: MOP496,000) included in other receivables.
- (iii) The Group had an outstanding balance due from its related company, Ou Wai Health Company Limited, of MOP99,000 (31 December 2022: MOP493,000) and MOP39,000 (31 December 2022: MOP40,000) included in trade receivables and contract assets, respectively. The payment term is disclosed in note 10.
- (iv) The Group had an outstanding balance due from its related company, Easy Storage Company Limited, of MOP455,000 (31 December 2022: MOP455,000) and MOP51,000 (31 December 2022: MOP54,000) included in trade receivables and contract assets, respectively. The payment term is disclosed in note 10.





## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 16 RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group:

|  | For the six months ended 30 June |                                |
|--|----------------------------------|--------------------------------|
|  | 2023<br>MOP'000<br>(Unaudited)   | 2022<br>MOP'000<br>(Unaudited) |
| Fees   | 80                               | 80                             |
| Salaries and other allowances                              | 3,808                            | 4,707                          |
| Discretionary bonus  | 635                              | -                              |
| Pension scheme contribution                                | 13                               | 24                             |
| <b>Total compensation paid to key management personnel</b> | <b>4,536</b>                     | 4,811                          |

### 17 PERFORMANCE BOND

As at 30 June 2023, the Group has issued performance bonds amounting to MOP16,967,000 (31 December 2022: MOP20,006,000) in respect of contracts from fitting-out, alteration and addition works through banks in Macau which are secured by pledged bank deposits as disclosed in note 15 and promissory notes of MOP167,980,000 by Lai Si and the Company and guaranteed by the directors of the Company, Lai Leng Man and Lai Meng San (31 December 2022: secured by pledged bank deposits and promissory notes of MOP167,980,000 by Lai Si and the Company and guaranteed by the directors of the Company, Lai Leng Man and Lai Meng San).

### 18 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values due to the short maturities of these instruments.

Management of the Group has estimated the fair values of unlisted equity investments at fair value through other comprehensive income with income approach as at 31 December 2022 and 30 June 2023. The directors believe that the estimated fair values based on the above valuation technique, which are recorded in the interim condensed consolidated statement of financial position are reasonable, and that they were the most appropriate values at the end of the reporting period.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 18 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2023:

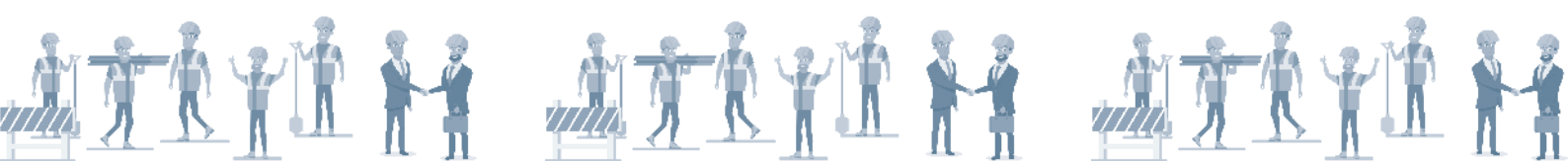
|  | Valuation technique  | Significant unobservable input                              | Sensitivity of fair value to the input  |
|--|----------------------|---|---|
| Equity investments designated at fair value through other comprehensive income | Discounted cash flow | Post-tax discount rate of 11.70% (31 December 2022: 10.10%) | 10% increase/decrease in discount rate would result in (decrease)/increase in fair value by (MOP110,000)/MOP142,000 (31 December 2022: (MOP111,000)/MOP145,000) |

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

**As at 30 June 2023 (Unaudited)**

|  | Fair value measurement using                                  |   |   | Total |
|--|---|---|---|-------|
|  | Quoted prices in active markets (Level 1) MOP'000 (Unaudited) | Significant observable inputs (Level 2) MOP'000 (Unaudited) | Significant unobservable inputs (Level 3) MOP'000 (Unaudited) |       |
| Equity investments designated at fair value through other comprehensive income | -   | -   | 1,432   | 1,432 |



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

(Expressed in Macau Pataca)

### 18 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

As at 31 December 2022 (Audited)

|  | Fair value measurement using  |  |  | Total<br>MOP'000<br>(Audited) |
|--|---|--|--|-------------------------------|
|  | Quoted prices in<br>active markets<br>(Level 1)<br>MOP'000<br>(Audited) | Significant<br>observable<br>inputs<br>(Level 2)<br>MOP'000<br>(Audited) | Significant<br>unobservable<br>inputs<br>(Level 3)<br>MOP'000<br>(Audited) |                               |
| Equity investments designated<br>at fair value through other<br>comprehensive income | -   | -  | 1,393  | 1,393                         |

The movements in fair value measurements within Level 3 during the period are as follows:

|  | <b>2023</b><br><b>MOP'000</b><br><b>(Unaudited)</b> | 2022<br>MOP'000<br>(Unaudited) |
|--|---|--------------------------------|
| <b>Equity investments at fair value through other<br/>comprehensive income</b> |   |                                |
| At 1 January   | <b>1,393</b>  | 1,380                          |
| Total gain/(loss) recognised in other comprehensive income                     | <b>39</b>   | (17)                           |
| At 30 June   | <b>1,432</b>  | 1,363                          |

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2022: Nil).