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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2266)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

## FINANCIAL HIGHLIGHTS

(in Macau patacas ("MOP") thousand, unless otherwise stated)

	For the year ended 31 December		Year-on- year
	2024 MOP'000	2023 MOP'000	increase/ (decrease)
Revenue Gross profit	208,136 49,508	88,189 14,721	136.0% 236.3%
Gross profit margin	23.8%	16.7%	7.1%
Profit/(loss) attributable to owners of the Company	24,099	(18,547)	N/A
Equity attributable to owners of the Company	129,058	104,944	23.0%
Earnings/(loss) per share (MOP cents)	6	(4.6)	N/A

## FINAL DIVIDEND

The Board proposed a final dividend of HK2.50 cents (equivalent to MOP2.58 cents) per ordinary share for the year ended 31 December 2024, subject to the approval by the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting ("AGM") to be held on 24 June 2025 (2023: Nil).

The board (the "Board") of directors (the "Directors") of Lai Si Enterprise Holding Limited (the "Company") is pleased to announce the consolidated financial information of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024 together with the comparative figures for the corresponding year ended 31 December 2023.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

·	Notes	2024 MOP'000	2023 MOP'000
REVENUE	4	208,136	88,189
Cost of sales		(158,628)	(73,468)
Gross profit		49,508	14,721
Other income, gains and losses, net Administrative expenses Reversal of impairment losses/(impairment		3,168 (28,776)	2,639 (28,891)
losses) on financial assets and contract assets Reversal of impairment loss/(impairment loss)	5	3,203	(3,034)
on property, plant and equipment	5	142	(2,132)
Changes in fair value of investment properties	5	(2,266)	(1,030)
Finance costs		(1,125)	(1,002)
Share of (loss)/profit of an associate		(36)	4
PROFIT/(LOSS) BEFORE TAX	5	23,818	(18,725)
Income tax credit	6	281	178
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF			
THE COMPANY	!	24,099	(18,547)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
		MOP cents	MOP cents
Basic and diluted  - For profit/(loss) for the year		6.0	(4.6)
F ( )	!		( )

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 MOP'000	2023 MOP'000
PROFIT/(LOSS) FOR THE YEAR	24,099	(18,547)
OTHER COMPREHENSIVE INCOME Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income: Changes in fair value, net of nil tax	15	18
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	15	18
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	15	18
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	24,114	(18,529)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 MOP'000	2023 MOP'000
	110163	MOI 000	MO1 000
NON-CURRENT ASSETS			
Property, plant and equipment		73,527	73,621
Investment properties		21,527	23,793
Investment in an associate		6,882	6,918
Equity investments designated at fair value			
through other comprehensive income	-	1,426	1,411
<b>Total non-current assets</b>	-	103,362	105,743
CURRENT ASSETS			
Trade receivables	9	36,951	19,430
Contract assets		40,575	26,140
Prepayments, other receivables and other assets		10,657	7,736
Amount due from a director		14	_
Amount due from the ultimate holding company		1	1
Pledged bank deposits		1,082	11,128
Cash and bank balances	-	24,463	10,129
Total current assets	-	113,743	74,564
CURRENT LIABILITIES			
Trade payables	10	22,693	20,251
Contract liabilities		11,483	6,041
Other payables and accruals		20,888	11,914
Interest-bearing bank borrowings		29,646	33,543
Tax payable	-		120
Total current liabilities	-	84,710	71,869
NET CURRENT ASSETS	-	29,033	2,695
Total assets less current liabilities	-	132,395	108,438

	2024 MOP'000	2023 MOP'000
NON-CURRENT LIABILITIES		
Defined benefit plan obligations	138	134
Deferred tax liabilities	3,199	3,360
Total non-current liabilities	3,337	3,494
Net assets	129,058	104,944
CAPITAL AND RESERVES		
Share capital	4,120	4,120
Reserves	124,938	100,824
Total equity	129,058	104,944

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments designated at fair value through other comprehensive income which have been measured at fair value. These consolidated financial statements are presented in Macau patacas ("MOP") and all values are rounded to the nearest thousand except when otherwise indicated.

#### 2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

Amendments to HKAS 1 Classification of Liabilities as Current or

Non-amount (the "2020 Amount or "20")

Non-current (the "2020 Amendments")

Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022

Amendments")

Amendments to HKAS 7 and HKFRS 7 Suppler Finance Arrangements

The nature and the impact of the revised HKFRS Accounting Standards are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

#### 2.1 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these consolidated financial statements. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

#### 3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has three reportable operating segments as follows:

- (a) fitting-out, alteration and addition works segment engages in fitting-out works as an integrated fitting-out contractor;
- (b) construction works segment engages in construction works, with the Group acting as the main contractor; and
- (c) repair and maintenance services segment provides repair and maintenance services on an ad-hoc basis.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment's operating results, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that other income, gains and losses, net, impairment losses or reversal of on financial assets, contract assets and property, plant and equipment, changes in fair value of investment properties, finance costs, share of profit or loss of an associate and corporate expenses are excluded from such measurement. No analysis of segment asset and segment liability is presented as management does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Year ended 31 December 2024	Fitting-out, alteration and addition works MOP'000	Construction works MOP'000	Repair and maintenance services MOP'000	Total MOP'000
Segment revenue (note 4)	102 005	0 774	5 457	200 126
Sales to external customers	193,905	8,774	5,457	208,136
Segment results	45,528	647	2,548	48,723
Corporate expenses				(27,991)
Other income, gains and losses, net				3,168
Reversal of impairment losses on financial assets and	l			
contract assets				3,203
Reversal of impairment loss on property, plant and				
equipment				142
Changes in fair value of investment properties				(2,266)
Finance costs				(1,125)
Share of loss of an associate				(36)
Profit before tax				23,818
Year ended 31 December 2023	Fitting-out, alteration and addition works  MOP'000	Construction works MOP'000	Repair and maintenance services MOP'000	Total MOP'000
Segment revenue (note 4)				
Sales to external customers	72,860	10,115	5,214	88,189
Segment results	13,251	68	921	14,240
Corporate expenses				(28,410)
Other income, gains and losses, net				2,639
Impairment losses on				2,007
financial assets and contract assets				(3,034)
Impairment loss on property, plant and equipment				(2,132)
Changes in fair value of investment properties				(1,030)
Finance costs				(1,002)
Share of profit of an associate				4
				(10.505)
Loss before tax			,	(18,725)

## **Geographical information**

## (a) Revenue from external customers

	2024 MOP'000	2023 MOP'000
Macau Hong Kong	149,877 58,259	66,950 21,239
Total revenue	208,136	88,189

The revenue information above is based on the locations of the customers.

## (b) Non-current assets

	2024 MOP'000	2023 MOP'000
Macau Hong Kong	101,926	104,324
Total non-current assets	101,936	104,332

The non-current asset information above is based on the locations and operations of the assets and excludes financial instruments.

## 4 REVENUE

An analysis of revenue is as follows:

	2024	2023
	MOP'000	MOP'000
Revenue from contracts with customers		
Fitting-out, alteration and addition works	193,905	72,860
Construction works	8,774	10,115
Repair and maintenance services	5,457	5,214
Total	208,136	88,189

## 5 PROFIT/(LOSS) BEFORE TAX

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

	2024 MOP'000	2023 MOP'000
Cost of services provided*	158,628	73,468
Depreciation of property, plant and equipment	869	879
Expense relating to short-term leases**	469	459
Auditor's remuneration	948	876
Employee benefit expense (excluding directors' and chief executive's remuneration):*		
<ul> <li>Wages and salaries</li> </ul>	37,302	29,656
- Expenses recognised in respect of defined benefit		
retirement plans obligation	4	134
<ul> <li>Pension scheme contributions***</li> </ul>	400	220
(Reversal of impairment losses)/impairment losses on		
financial assets and contract assets:		
- (Reversal of impairment losses)/impairment losses on		
trade receivables	(1,531)	749
- (Reversal of impairment losses)/impairment losses on		
contract assets	(1,672)	2,285
	(3,203)	3,034
(Reversal of impairment loss)/impairment loss on		
property, plant and equipment	(142)	2,132
Changes in fair value of investment properties	2,266	1,030

<sup>\*</sup> Included in cost of services provided are the staff costs incurred in the amount of MOP26,353,000 (2023: MOP18,302,000).

<sup>\*\*</sup> The Group has entered into leases for properties and other equipment used in its operations with lease terms of 12 months or less and/or is individually of low value.

<sup>\*\*\*</sup> There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contribution.

## 6 INCOME TAX

Macau complementary tax has been provided at progressive rates up to 12% (2023: progressive rates up to 12%) on the estimated taxable profits arising in Macau during the year. No provision for Macau Complementary tax has been made as the assessable profit has been absorbed by unused tax losses.

Hong Kong Profits Tax for the year ended 31 December 2024 was provided at the rate of 16.5% (2023: 16.5%). No provision for Hong Kong Profits Tax has been made as a subsidiary incorporated in Hong Kong has available tax losses carried forward for future set off.

	2024	2023
	MOP'000	MOP'000
Current – Macau		
<ul> <li>Charge for the year</li> </ul>	_	120
<ul> <li>Over-provision in prior years</li> </ul>	(120)	_
Deferred	(161)	(298)
Total	(281)	(178)

A reconciliation of the tax credit applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2024

	Macau MOP'000	Hong Kong MOP'000	Total MOP'000
Profit before tax	17,086	6,732	23,818
Tax at the statutory tax rate	2,050	1,111	3,161
Expenses not deductible for tax	37	374	411
Income not subject to tax	(434)	_	(434)
Tax loss not allowed to be carried forward	70	_	70
Unrecognised tax losses utilised from			
previous periods	(1,475)	(1,485)	(2,960)
Tax exemption under Macau complementary tax	(409)	_	(409)
Over-provision in prior year	(120)		(120)
Tax credit	(281)	_	(281)

	Macau MOP'000	Hong Kong MOP'000	Total MOP'000
Loss before tax	(16,111)	(2,614)	(18,725)
Tax at the statutory tax rate	(1,933)	(432)	(2,365)
Expenses not deductible for tax	454	475	929
Income not subject to tax	(1)	(5)	(6)
Tax loss not allowed to be carried forward	1	_	1
Tax loss not recognised	1,435	_	1,435
Unrecognised tax losses utilised from previous periods	_	(38)	(38)
Tax exemption under Macau complementary tax	(134)		(134)
Tax credit	(178)		(178)
DIVIDEND			
		2024 MOP'000	2023 MOP'000
Proposed final – MOP2.58 cents (equivalent to HK (2023: Nil) per ordinary share	2.50 cents)	10,300	
	Tax at the statutory tax rate Expenses not deductible for tax Income not subject to tax Tax loss not allowed to be carried forward Tax loss not recognised Unrecognised tax losses utilised from previous periods Tax exemption under Macau complementary tax  Tax credit  DIVIDEND  Proposed final – MOP2.58 cents (equivalent to HK	Loss before tax (16,111)  Tax at the statutory tax rate (1,933)  Expenses not deductible for tax 454  Income not subject to tax (1)  Tax loss not allowed to be carried forward 1  Tax loss not recognised 1,435  Unrecognised tax losses utilised from previous periods -  Tax exemption under Macau complementary tax (134)  Tax credit (178)  DIVIDEND	Loss before tax  (16,111)  (2,614)  Tax at the statutory tax rate (1,933) (432) Expenses not deductible for tax 454 Income not subject to tax (1) (5) Tax loss not allowed to be carried forward 1 Tax loss not recognised 1,435 - Unrecognised tax losses utilised from previous periods Tax exemption under Macau complementary tax (134)  Tax credit (178)  DIVIDEND  Proposed final – MOP2.58 cents (equivalent to HK2.50 cents)

At the board meeting held on 27 March 2025, the Board recommended the payment of the final dividend of MOP2.58 cents per ordinary share, totalling MOP10,300,000. The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming AGM.

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

The calculation of the basic earnings/(loss) per share amounts is based on the earnings/(loss) for the year attributable to owners of the Company of MOP24,099,000 (2023: MOP18,547,000), and the weighted average number of ordinary shares of 400,000,000 (2023: 400,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

## 9 TRADE RECEIVABLES

	2024	2023
	MOP'000	MOP'000
Trade receivables	58,364	42,374
Impairment	(21,413)	(22,944)
Net carrying amount	36,951	19,430

The Group allows an average credit period of 30 days to its customers. Before accepting any new customer, 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 MOP9,500 (2023: MOP48,000), 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:

	2024	2023
	MOP'000	MOP'000
Within 1 month	24,938	13,116
1 to 2 months	4,869	4,603
2 to 3 months	1,024	1,402
3 to 6 months	3,197	97
6 months to 1 year	2,360	181
Over 1 year	563	31
Total	36,951	19,430

#### 10 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:

	2024	2023
	MOP'000	MOP'000
Within 1 month	4,484	4,007
1 to 2 months	6,167	2,867
2 to 3 months	1,985	1,992
Over 3 months	10,057	11,385
Total	22,693	20,251

The trade payables are non-interest-bearing and are normally settled on 60-day terms. As at 31 December 2024, retention payables included in trade payables amounted to MOP3,223,000 (2023: MOP2,112,000) which are interest-free and payable at the end of the defects liability period of individual contracts within 1 year from the completion date of the respective projects.

#### 11 CONTINGENT LIABILITIES

#### (a) Sin Fong Garden Building

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

The hearings were held from 17 November 2023 to July 2024. The written legal arguments have already filed by all parties, the court is now expected to deliver the final ruling, for the which there is no timeframe, however a period around six months is reasonable. Based on the fact disclosed during the hearing and after consulting the Group's lawyer, the directors of the Company are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and hence no provision is made in the consolidated financial information as at 31 December 2024. The Controlling Shareholders have undertaken to indemnify the Group against all losses and liabilities arising from the above proceedings.

## (b) Dispute on payment with a subcontractor

As at 31 December 2024, 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 MOP2,485,000.

The hearings were held from 11 February 2025 to 21 March 2025. Based on the fact disclosed during the hearing and after consulting the Group's lawyer, the directors of the Company are of the opinion that the amount of probable compensation is insignificant and hence no provision was made in the consolidated financial information as at 31 December 2024.

## (c) Dispute on payment with a subcontractor

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

The subsidiary of the Group entered into a mediated settlement agreement with the plaintiff. The subsidiary of the Group agreed to pay the plaintiff MOP958,000 and fully settled during the year ended 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

#### **BUSINESS REVIEW**

On 10 February 2017 (the "Listing Date"), the Company's shares (the "Shares") 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.

#### **Business review**

The Group provides 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 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 (a) fitting-out works; (b) construction works; and (c) repairs and maintenance services. During the year ended 31 December 2024, the total value for the new fitting-out projects awarded to the Group, representing the aggregate awarded contract sum, amounted to approximately MOP196.3 million as compared to the year ended 31 December 2023 of approximately MOP100.1 million. As at 31 December 2024, the Group had an aggregate value of backlog for fitting-out projects and construction projects of approximately MOP100.7 million as compared to approximately MOP91.0 million as at 31 December 2023.

#### Financial review

#### Revenue

The following table sets forth a breakdown of the Group's revenue during the years ended 31 December 2024 and 2023 by business segments:

Year ended 31 December			
2024		2023	
MOP'000	%	MOP'000	%
193,905	93.2	72,860	82.6
8,774	4.2	10,115	11.5
5,457	2.6	5,214	5.9
208,136	100.0	88,189	100.0
	2024 MOP'000 193,905 8,774 5,457	2024 MOP'000 %  193,905 93.2 8,774 4.2 5,457 2.6	2024       2023         MOP'000       %       MOP'000         193,905       93.2       72,860         8,774       4.2       10,115         5,457       2.6       5,214

During the year ended 31 December 2024, the Group's revenue increased by approximately MOP119.9 million or 136.0%. The increase was mainly attributable to the increase in revenue from fitting-out works by approximately MOP121.0 million or 166.1% and decrease in revenue from construction works by approximately MOP1.3 million or 13.3%.

The following table sets forth a breakdown of the Group's revenue attributable to fitting-out works during the years ended 31 December 2024 and 2023 by type of customers:

	Year ended 31 December			
	2024		2023	
	MOP'000	%	MOP'000	%
Hotel and casino	13,037	6.7	1,806	2.5
Retail shops and restaurants	174,584	90.0	61,034	83.8
Others	6,284	3.3	10,020	13.7
Total	193,905	100.0	72,860	100.0

The increase in fitting-out works revenue during the year ended 31 December 2024 was mainly attributable to the increase in revenue from customers of retail shops and restaurants by approximately MOP113.6 million or 186.0%.

The decrease in revenue of construction works during the year ended 31 December 2024 was mainly attributable to the decrease in revenue derived from general construction of approximately MOP1.3 million or 13.3% as compared to the previous year.

## **Gross profit**

The following table sets forth a breakdown of the Group's gross profit and gross profit margin during the years ended 31 December 2024 and 2023 by business segments:

Year ended 31 December				
2024		2023		
Gross profit			Gross profit	
Gross profit	margin	Gross profit	margin	
MOP'000	%	MOP'000	%	
46,166	23.8	13,610	18.7	
757	8.6	166	1.6	
2,585	47.4	945	18.1	
49,508	23.8	14,721	16.7	
	Gross profit MOP'000 46,166 757 2,585	2024     Gross profit     MOP'000	2024       20         Gross profit       margin       Gross profit       MOP'000         46,166       23.8       13,610         757       8.6       166         2,585       47.4       945	

During the year ended 31 December 2024, the Group's gross profit increased by approximately MOP34.8 million or approximately 236.3% from approximately MOP14.7 million for the year ended 31 December 2023 to approximately MOP49.5 million for the year ended 31 December 2024. The increase in gross profit was mainly due to the increase in fitting-out works projects. The overall demand for fitting-out works increase.

The Group's gross profit margin increased from approximately 16.7% for the year ended 31 December 2023 to approximately 23.8% for the year ended 31 December 2024. The gross profit margin increase was due to increased gross profit margin of fitting-out works. The pricing strategies and profit margins have been adjusted to remain competitive and secure contracts.

## Other income, gains and losses, net

The Group incurred net gain over other income and gains of approximately MOP4.2 million for the year ended 31 December 2024, as compared with net loss over other income and gains of approximately MOP3.6 million for the year ended 31 December 2023. Net gain increased was due to provision written back MOP3.2 million for financial assets and contract assets and MOP0.1 million reversal of impairment on property, plant and equipment for the year ended 31 December 2024, compared with MOP3.0 million and MOP2.1 million provision made for the year ended 31 December 2023. In addition, there was a fair value loss on investment properties MOP2.3 million made for the year ended 31 December 2024 as compared with MOP1.0 million made for the year ended 31 December 2023.

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 attention. Therefore, expected credit losses provision has been revised accordingly.

## Administrative expenses

The Group's administrative expenses decreased by approximately MOP0.1 million or 0.4% from approximately MOP28.9 million for the year ended 31 December 2023 to approximately MOP28.8 million for the year ended 31 December 2024. There was no material fluctuation.

#### Finance costs

The Group's finance costs increased by approximately MOP0.1 million or 12.3% from approximately MOP1.0 million for the year ended 31 December 2023 to approximately MOP1.1 million for the year ended 31 December 2024. The slight increase was due to short term bank loan during the year ended 31 December 2024.

## Income tax credit

The Group's income tax credit approximately MOP0.2 million for the year ended 31 December 2023 was changed to approximately MOP0.3 million income tax credit for the year ended 31 December 2024. Tax credit for the year ended 31 December 2024 was in line with deferred tax on property, plant and equipment arose.

# Profit/(loss) and total comprehensive income/(loss) for the year attributable to owners of the Company

As a result of the above, the Group made profit for the year attributable to owners of the Company of approximately MOP24.1 million for the year ended 31 December 2024 as compared with loss of approximately MOP18.5 million for the year ended 31 December 2023.

## Basic earnings/(loss) per share

The Company's basic earnings per share for the year ended 31 December 2024 was MOP6.0 cents (2023: loss per share MOP4.6 cents), representing an increase of MOP10.6 cents which is in line with the profit for the year attributable to owners of the Company when compared to the year ended 31 December 2023.

#### 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 31 December 2024, the Group's current assets exceeded its current liabilities by MOP29.0 million (2023: MOP2.7 million).

As at 31 December 2024, the Group had bank balances and cash of MOP24.5 million (2023: MOP10.1 million).

As at 31 December 2024, the Group had an aggregate of pledged bank deposits of MOP1.1 million (2023: MOP11.1 million) that were used to secure banking facilities.

As at 31 December 2024, bank and other borrowings amounted to MOP29.6 million (2023: MOP33.5 million) of which MOP7.0 million, MOP2.8 million, MOP9.0 million and MOP10.8 million (2023: MOP8.1 million, MOP2.7 million, MOP8.7 million and MOP14.0 million) will mature within one year, one year to two years, two years to five years and more than five years, respectively.

The interest-bearing bank borrowings amounting to MOP25,424,000 as at 31 December 2024 carry interest at 2.65% per annum (31 December 2023: MOP28,071,000 at 3.275% per annum).

The interest-bearing bank borrowings amounting to MOP4,222,000 as at 31 December 2024 carry interest at 3.75% per annum (31 December 2023: MOP3,105,000 at 4.375% per annum).

The effective interest rates of the borrowings as at 31 December 2024 (which are also equal to the contractual interest rate) carry interest range from 2.7% to 3.8% (2023: 3.3% to 4.4%).

The Group's borrowings are denominated in MOP. These bank borrowings are under banking facilities for drawing loans and issuing performance bonds. The banking facilities are secured by the legal charge over the office buildings held by the Group (included in property, plant and equipment), pledged bank deposits and promissory notes endorsed by Lai Si which were guaranteed by the Company and the directors of the Company, Lai Ieng Man and Lai Meng San.

The Group continued to maintain a healthy liquidity position. As at 31 December 2024, the Group's current assets and current liabilities were MOP113.7 million (2023: MOP74.6 million) and MOP84.7 million (2023: MOP71.9 million), respectively. The Group's current ratio increased to 1.34 (2023: 1.04). The increase was in line with profit making situation during the year ended 31 December 2024. The Group has still maintained sufficient liquid assets to finance its operations.

Gearing ratio calculated by dividing total debts (including bank and other borrowings) with total equity was 0.23 as at 31 December 2024 (2023: 0.32). The decrease in gearing ratio was primarily due to profit making situation during year ended 31 December 2024.

As at 31 December 2024, the share capital and equity attributable to owners of the Company amounted to MOP4.1 million and MOP129.1 million, respectively (2023: MOP4.1 million and MOP104.9 million, respectively).

## Charge on the Group's assets

As at 31 December 2024, land and building and bank deposits were pledged to secure certain borrowings granted to the Group amounted to MOP72.9 million and MOP1.1 million (2023: MOP73.4 million and MOP11.1 million), respectively.

## Contingent liabilities and operating lease and capital commitments

## (a) Sin Fong Garden Building

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

The hearings were held from 17 November 2023 to July 2024. The written legal arguments have already filed by all parties, the court is now expected to deliver the final ruling, for the which there is no timeframe, however a period around six months is reasonable. Based on the fact disclosed during the hearing and after consulting the Group's lawyer, the directors of the Company are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and hence no provision is made in the consolidated financial information as at 31 December 2024. The Controlling Shareholders have undertaken to indemnify the Group against all losses and liabilities arising from the above proceedings.

## (b) Dispute on payment with a subcontractor

As at 31 December 2024, 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 MOP2,485,000.

The hearings were held from 11 February 2025 to 21 March 2025. Based on the fact disclosed during the hearing and after consulting the Group's lawyer, the directors of the Company are of the opinion that the amount of probable compensation is insignificant and hence no provision was made in the consolidated financial information as at 31 December 2024.

## (c) Dispute on payment with a subcontractor

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

The subsidiary of the Group entered into a mediated settlement agreement with the plaintiff. The subsidiary of the Group agreed to pay the plaintiff MOP958,000 and fully settled during the year ended 31 December 2024.

As at 31 December 2024, the Group did not have any capital commitments (2023: Nil).

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

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

#### Interest rate risk

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

## **Credit exposure**

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees arisen from the carrying amount of the respective recognised financial assets as stated in the 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 has engaged professional valuer service on the collectability of the overall account receivables portfolio. The professional valuer takes forward looking approach in assessing credit risk (expected credit losses). Provision for expected credit losses on account receivable 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 31 December 2024 on trade receivables and contract assets from the Group's five major customers amounting to approximately MOP30.3 million (2023: MOP11.1 million) and accounted for approximately 39.1% (2023: 24.2%) of the Group's total trade receivables and contract assets. The major customers of the Group are certain reputable organisations. The management of the Group considers that the credit risk is limited in this regard.

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

## EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2024, on 9 January 2025, the Group entered into a sale and purchase agreement for a property in Hong Kong at purchase consideration HK\$10.4 million. The property is to be used for Hong Kong operation. Announcements on this purchase have been made on 2 January 2025 and 9 January 2025.

The Board proposed a final dividend on 27 March 2025.

There are no other significant events noted after 31 December 2024 and up to date of this announcement.

#### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the total number of full-time employees of the Group was 146 (2023: 140).

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

The Group's gross staff costs from operations (including the directors' emoluments) was MOP43.3 million for the year ended 31 December 2024 (2023: MOP36.3 million).

The Company adopted a new share option scheme on 25 June 2024 in compliance with the new requirements under Chapter 17 of the Listing Rules which became effective 1 January 2023, so that the Company may grant options to the eligible participants as incentives or rewards for their contribution to the Group. Since the listing of the Shares, no share option had been granted under the old and new share option schemes.

## PROSPECTS AND STRATEGIES

## **Outlook:**

In the past 2024, the gaming revenue and the number of arrivals to Macau have met the government's expectations. Driven by gaming and tourism, Macau's market economy has gradually returned to the pre-pandemic level. While the government is vigorously pursuing diversified economic development and the high-quality economic development in the Greater Bay Area, the confidence of the consumer market has also gradually stabilised. Large hotels, shopping malls, luxury brands and chain-store retails in Macau are also gradually increasing in number and rebuilding, which is believed to bring new opportunities and vitality to the construction industry.

As a well-known tourism and entertainment destination in the world, Macau's market prospect remains very positive. With the economic recovery, the number of arrivals to Macau and the confidence of the consumer market have gradually increased, which will bring new opportunities and vitality to the construction industry. Meanwhile, the government's policies and measures and support for economic development are also conducive to the development of the construction industry. In such an economic environment in Hong Kong and Macau with promising market prospects, the Group will actively explore a broader market to create more opportunities for the Group's development.

## FINAL DIVIDEND

The Board proposed payment of a final dividend of HK2.50 cents (equivalent to MOP2.58 cents) per ordinary share for the year ended 31 December 2024 to Shareholders whose names appear on the register of members of the Company at close of business on Friday, 4 July 2025, subject to the approval by the Shareholders at the forthcoming AGM (2023: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

The AGM of the Company is scheduled to be held on Tuesday, 24 June 2025. In order to establish entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 18 June 2025 to Tuesday, 24 June 2025, both days inclusive, during which period no transfer of Shares will be registered. All transfers of ordinary share accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 17 June 2025.

Upon obtaining approval of the Shareholders at the forthcoming AGM, for the purpose of determining the Shareholders' entitlement to the final dividend for the year ended 31 December 2024, the register of members of the Company will be closed from Monday, 30 June 2025 to Friday, 4 July 2025, both dates inclusive, during which period no transfer of shares will be registered. To qualify for the proposed final dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 27 June 2025. The final dividend is expected to be paid on Friday, 18 July 2025.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

## CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

#### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions (the "Securities Dealing Code"). Specific enquiry has been made with all the Directors and all of them confirmed that they have complied with the Model Code and the Securities Dealing Code during the year ended 31 December 2024.

## **AUDIT COMMITTEE**

The Company established an audit committee (the "Audit Committee") on 18 January 2017 in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely, Mr. Siu Wing Hay, Mr. Chan Iok Chun and Dr. Liu Ting Chi. Mr. Siu Wing Hay is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the accounting principles and policies adopted by the Group, and the financial information of the Group and the annual results of the Company for the year ended 31 December 2024.

## SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

# PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the respective websites of Stock Exchange (www.hkexnews.hk) and the Company's website (www.lai-si.com). The annual report for the year ended 31 December 2024 containing all the information required by the Listing Rules will be made available on the respective websites of the Stock Exchange and the Company and despatched to the Shareholders of the Company who have elected to receive printed form in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its Shareholders, business partners and other professional parties for their support during the year ended 31 December 2024.

By order of the Board

Lai Si Enterprise Holding Limited

黎氏企業控股有限公司

LAI Ieng Man

Executive Director and Chairman

Macau, 27 March 2025

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