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LS 黎氏建築
Lai Si Construction

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL HIGHLIGHTS
*(in Macau Pataca ("**MOP**") thousand, unless otherwise stated)*

	2016	2015	Year-on-year increase/ (decrease)
Revenue	**287,677**	220,711	30.3%
Gross profit	**73,927**	60,232	22.7%
Gross profit margin	**25.7%**	27.3%	(1.6%)
Profit attributable to owners of the Company (excluding listing expenses)	**44,317**	41,365	7.1%
Listing expenses	**14,081**	–	100%
Profit attributable to owners of the Company	**30,236**	41,365	(26.9%)
Equity attributable to owners of the Company	**67,624**	107,537	(37.1%)
Basic earnings per share *(MOP cents)*	**10.1**	13.8	(26.8%)

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2016.

The board (the "**Board**") of directors (the "**Directors**") of Lai Si Enterprise Holding Limited (the "**Company**") is pleased to announce the audited combined financial information of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2016 together with the comparative figures for the corresponding year ended 31 December 2015. Such information should be read in conjunction with the prospectus of the Company dated 27 January 2017 (the "**Prospectus**").

COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

		Year ended 31 December	
		2016	2015
	Notes	***MOP'000***	*MOP'000*
Revenue	*3*	**287,677**	220,711
Cost of sales		**(213,750)**	(160,479)
Gross profit		**73,927**	60,232
Other income, gains and losses	*5*	**1,096**	3,036
Administrative expenses		**(22,497)**	(14,326)
Listing expenses		**(14,081)**	–
Finance costs	*6*	**(2,265)**	(1,785)
Profit before taxation		**36,180**	47,157
Income tax expense	*7*	**(5,944)**	(5,792)
Profit and total comprehensive income for the year attributable to owners of the Company	*8*	**30,236**	41,365
Earnings per share	*10*		
Basic *(MOP cents)*		**10.1**	13.8

COMBINED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Notes	2016 MOP'000	2015 MOP'000
Non-current assets			
Property, plant and equipment		**76,558**	4,952
Interest in an associate		**–**	40
		76,558	4,992
Current assets			
Trade and other receivables	*11*	**94,038**	46,246
Amounts due from related parties		**–**	28,955
Amounts due from directors		**41,508**	78,741
Amount due from ultimate holding company		**1**	–
Amounts due from customers for contract work	*12*	**60,601**	55,284
Pledged bank deposits		**1,732**	1,051
Bank balances and cash		**10,246**	1,890
		208,126	212,167
Current liabilities			
Trade and other payables	*13*	**80,386**	27,906
Amounts due to related parties		**–**	246
Amounts due to a director		**667**	667
Amounts due to customers for contract work	*12*	**6,798**	16,350
Tax payable		**23,168**	17,488
Bank overdrafts		**7,568**	–
Bank and other borrowings	*14*	**98,473**	46,965
		217,060	109,622
Net current (liabilities) assets		**(8,934)**	102,545
Total assets less current liabilities		**67,624**	107,537
Net assets		**67,624**	107,537
Capital and reserves			
Share capital	*15*	**86**	85
Reserves		**67,538**	107,452
		67,624	107,537

NOTES

1. GENERAL INFORMATION AND REORGANISATION

General information

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 consolidated 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**") on 10 February 2017. The Company's registered office is located at Cricket Square, Hutchins Drive, P. O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and its principal place of business is located at Unit C, 9/F., Industrial Tong Lei, Nos. 16A-16D, Avenida do Almirante Lacerda, Macau. The Company acts as an investment holding company and its subsidiaries are engaged in fitting-out works, construction works and provision of repair and maintenance services.

The Group's principal operations are conducted in Macau and Hong Kong. The Financial Information is presented in MOP which is the same as the functional currency of the Company.

Reorganisation and basis of presentation of the financial information

In the preparation for the listing of the Company's shares (the "**Shares**") on the Stock Exchange (the "**Listing**"), the companies now comprising the Company and its subsidiaries (the "**Group**") underwent the group reorganisation (the "**Reorganisation**").

Prior to the Reorganisation, the entire equity interests of Lai Si Construction & Engineering Company Limited ("**Lai Si**"), Well Team Engineering Company Limited ("**Well Team**") and Lai Si Construction (Hong Kong) Company Limited ("**Lai Si (HK)**") were directly held by four individuals, namely Mr. Lai Ieng Man, Mr. Lai Meng San, son of Mr. Lai Ieng Man, Ms. Lai Ieng Wai and/or Ms. Lai Ieng Fai, daughters of Mr. Lai Ieng Man on behalf of the family of Mr. Lai Ieng Man. Lai Si, Well Team and Lai Si (HK) were beneficially and wholly owned by the family members of Mr. Lai Ieng Man collectively as the controlling shareholders (the "**Controlling Shareholders**").

As part of the Reorganisation, on 19 February 2016, Ms. Lai Ieng Fai transferred her entire equity interest, being 20% of the share capital of Well Team, to Ms. Lai Ieng Wai for a cash consideration of MOP5,000.

On 25 May 2016, SHK-Mac Capital Limited ("**SHKMCL**") was incorporated in the British Virgin Islands ("**BVI**") with limited liability and 50 shares, 30 shares and 20 shares were allotted and credited as fully paid at par to Mr. Lai Ieng Man, Mr. Lai Meng San and Ms. Lai Ieng Wai, respectively.

On 1 June 2016, the Company was incorporated in the Cayman Islands with limited liability and is wholly-owned by SHKMCL.

For the purpose of holding the operating subsidiaries of the Company, on 7 June 2016, LSMA Holding Limited ("**LSMAHL**"), WTMA Holding Limited ("**WTMAHL**") and LSHK Holdings Limited ("**LSHKHL**") were incorporated in the BVI with limited liabilities as intermediate holding companies and are wholly-owned by the Company.

On 18 January 2017, the Controlling Shareholders transferred the entire equity interests in Lai Si (HK) to LSHKHL for cash consideration of HK$10. Lai Si (HK) then became an indirect wholly-owned subsidiary of the Company.

On 23 January 2017, the Controlling Shareholders transferred the entire equity interests in Lai Si and Well Team to LSMAHL and WTMAHL for cash considerations of MOP10 and MOP10, respectively. Lai Si and Well Team then became indirect wholly-owned subsidiaries of the Company.

On 7 June 2016, the business and the assets and liabilities of Construtor Civil Lai Ieng Man, a commercial enterprise with unlimited liability wholly owned by Mr. Lai Ieng Man were transferred by Mr. Lai Ieng Man to Lai Si for a cash consideration of MOP150,000 (the "**Business Transfer**").

Construtor Civil Lai Ieng Man, which commenced business on 27 January 1987, is a commercial enterprise in Macau owned by Mr. Lai Ieng Man. Prior to the Business Transfer, Construtor Civil Lai Ieng Man was engaged in the provision of labour to Lai Si for performance of fitting-out and construction works. For the purpose of transferring the employment permits for the foreign workers held by Construtor Civil Lai Ieng Man, Mr. Lai Ieng Man and Lai Si entered into the Business Transfer.

The Reorganisation was completed on 23 January 2017. Since Construtor Civil Lai Ieng Man, Lai Si, Well Team and Lai Si (HK) were under common control by the Controlling Shareholders, the Business Transfer and the equity transfer of Lai Si, Well Team and Lai Si (HK) have been considered as a business combination involving entities under common control. For the purpose of presenting the combined financial information of the entities comprising the Group for the year ended 31 December 2016 which is before the completion of the Reorganisation, the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("**AG 5**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") has been applied.

The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the years ended 31 December 2016 and 2015 have been prepared to present the results and cash flows of the companies now comprising the Group, as if the group structure upon the completion of the Reorganisation had been in existence throughout the the years ended 31 December 2016 and 2015 or since the respective dates of incorporation, which is a shorter period. The combined statements of financial position of the Group as at 31 December 2016 and 31 December 2015 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates, taken into account the respective dates of incorporation.

As at 31 December 2016, the Group's and the Company's current liabilities exceeded its current assets by MOP8,934,000 and MOP9,159,000 respectively. The directors of the Company consider that the Group is able to mitigate the liquidity risk as the Group has obtained sufficient funds upon the receipt of proceeds from the share offer of the Company's shares after the listing on the Stock Exchange subsequent to 31 December 2016 to support its operation as well as other cash outflow commitments.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has consistently applied all new and revised HKFRSs, Hong Kong Accounting standard ("HKASs"), amendments and interpretations issued by HKICPA that effective for the accounting period beginning on 1 January 2016 for both current and prior years.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and recited Amendments
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company do not expect the adoption of HKFRS 15 would result in significant impact on the amounts reported on the financial statements of the Group in future. However, there will be additional qualitative and quantitative disclosures upon the adoption of HKFRS 15.

HKFRS 16 “Leases”

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases”, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Total operating lease commitments of the Group in respect of staff quarters, carparks and warehouses at 31 December 2016 amounted to MOP175,000. The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in a significant impact on the Group’s result but it is expected that certain portion of these lease commitments will be required to be recognised in the financial statements as right-of-use assets and lease liabilities.

The directors of the Company anticipate that the application of other new and amendments to HKFRSs will have no material impact on the financial statements of the Group in the future.

3. REVENUE

Revenue represents the net amounts received and receivable for fitting-out, alteration and addition works, construction works and repair and maintenance services rendered by the Group to customers, net of discounts.

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

	Year ended 31 December	
	2016	2015
	MOP'000	*MOP'000*
Contract revenue from fitting-out, alteration and addition works	**280,076**	216,922
Contract revenue from construction works	**5,659**	1,281
Repair and maintenance services	**1,942**	2,508
	287,677	220,711

4. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "**CODM**"), being the management of the Group, in order for the CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

(a) Fitting-out, alteration and addition works;

(b) Construction works; and

(c) Repair and maintenance services.

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Information regarding the above segments is reported below:

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments.

For the year ended 31 December 2016

	Fitting-out, alteration and addition works	**Construction works**	**Repair and maintenance services**	**Total**
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*
Segment revenue - external	**280,076**	**5,659**	**1,942**	**287,677**
Segment results	**67,982**	**331**	**310**	**68,623**
Corporate expenses				**(17,193)**
Other income, gains and losses				**1,096**
Listing expenses				**(14,081)**
Finance costs				**(2,265)**
Profit before taxation				**36,180**

For the year ended 31 December 2015

	Fitting-out, alteration and addition works	Construction works	Repair and maintenance services	Total
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*
Segment revenue - external	216,922	1,281	2,508	220,711
Segment results	54,770	58	1,773	56,601
Corporate expenses				(10,695)
Other income, gains and losses				3,036
Finance costs				(1,785)
Profit before taxation				47,157

Segment results mainly represented profit earned by each segment, excluding income and expenses of the corporate function, which include certain other income, gains and losses, certain administrative expenses, listing expenses and finance costs.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the operations.

	Revenue	
	2016	2015
	MOP'000	*MOP'000*
Macau	**286,774**	**220,711**
Hong Kong	**903**	**–**
	287,677	**220,711**

Information about the Group's non-current assets (excluding financial instruments) is presented based on the geographical location of the assets. All non-current assets of the Group are located in Macau.

5. OTHER INCOME, GAINS AND LOSSES

	Year ended 31 December	
	2016	2015
	MOP'000	*MOP'000*
Provision for trade receivables	**(88)**	**–**
Net exchange gain	**406**	1
Consultancy fee income	**–**	13
Imputed interest income	**743**	2,981
Loss on dissolution of an associate company	**(40)**	–
Others	**75**	41
	1,096	3,036

6. FINANCE COSTS

	Year ended 31 December	
	2016	2015
	MOP'000	*MOP'000*
Interest on bank borrowings	**2,265**	1,785

7. INCOME TAX EXPENSE

	Year ended 31 December	
	2016	2015
	MOP'000	*MOP'000*
The income tax expense comprises:		
Macau Complementary Tax		
– current year	**5,944**	5,792

Macau Complementary Tax is calculated at 12% of the estimated assessable profits exceeding MOP600,000 for both current and prior years.

Hong Kong Profits Tax at 16.5% has not been provided as the Group had no assessable profits arising in Hong Kong for both current and prior years.

8. PROFIT FOR THE YEAR

	Year ended 31 December	
	2016	2015
	MOP'000	*MOP'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**412**	18
Depreciation of property, plant and equipment	**479**	465
Directors' emoluments		
– fees	**–**	-
– other emoluments	**4,464**	2,034
Fitting-out, alteration and addition works	**207,989**	158,549
Construction works	**4,564**	1,205
Contract costs recognised as expense	**212,553**	159,754
Staff costs		
Gross staff costs (including directors' emoluments)	**60,436**	52,725
Less: Staff costs capitalised to contract costs	**(47,010)**	(45,290)
	13,426	7,435
Minimum operating lease payments	**329**	385

9. DIVIDEND

During the year ended 31 December 2016, a dividend of MOP70,000,000 was declared by Lai Si to the Controlling Shareholders.

Other than the above, no dividend has been paid or declared by other companies comprising the Group during the years ended 31 December 2016 and 2015.

10. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit for the year attributable to owners of the Company of MOP30,236,000 (2015: MOP41,365,000) and 300,000,000 ordinary shares is issued for the years ended 31 December 2016 and 2015 on the assumption that the capitalisation issue as detailed in Management Discussion and Analysis had been completed on 1 January 2015. No diluted earnings per share is presented for both years as there was no potential ordinary share outstanding.

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables and retention receivables at the end of each reporting period comprise receivables from third parties as follows:

	At 31 December 2016 *MOP'000*	At 31 December 2015 *MOP'000*
Trade receivables	**52,811**	27,382
Retention receivables	**25,314**	12,175
Deferred listing expenses	**3,963**	–
Other receivables, prepayment and deposits	**11,950**	6,689
Total trade and other receivables	**94,038**	46,246

Trade receivables

The Group allows an average credit period of 30 days to its customers. The following is an aged analysis of trade receivables presented based on invoice dates at the end of each reporting period, net of allowance for doubtful debts.

	At 31 December 2016 *MOP'000*	At 31 December 2015 *MOP'000*
1 – 30 days	**33,109**	14,756
31 – 60 days	**889**	4,315
61 – 90 days	**3,118**	5,853
Over 90 days	**15,695**	2,458
	52,811	27,382

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the Group regularly.

As at 31 December 2016, included in the Group's trade receivables balances were receivables with aggregate carrying amount of MOP19,702,000 (2015: MOP12,627,000), which were past due at the end of each reporting period for which the Group had not provided for impairment loss as these balances were either subsequently settled or there has not been a significant change in credit quality and the amounts were still considered recoverable. Accordingly, the directors of the Company believe that no impairment loss was required. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	At 31 December 2016 *MOP'000*	At 31 December 2015 *MOP'000*
Overdue		
1 – 30 days	**889**	4,315
31 – 60 days	**3,118**	5,622
61 – 90 days	**8,460**	461
Over 90 days	**7,235**	2,229
	19,702	12,627

Retention receivables

Retention receivables are unsecured, interest-free and recoverable at the end of the defects liability period of individual contracts, ranging from 2 months to 2 years from the date of the completion of the respective project.

The following is an aged analysis of retention receivables which are to be settled, based on the expiry of the defects liability period, at the end of each reporting period.

	At 31 December 2016	At 31 December 2015
	MOP'000	*MOP'000*
On demand or within one year	**19,636**	3,932
After one year	**5,678**	8,243
	25,314	12,175

Included in Group's retention receivables balances as at 31 December 2016 were receivables with aggregate carrying amount of MOP3,331,000 (2015: MOP575,000), which were past due at the end of each reporting period for which the Group had not provided for impairment loss. The Group does not hold any collateral over these balances.

In determining the recoverability of trade and retention receivables, the Group considers any change in credit quality of the trade receivables from the date credit was initially granted up to the end of each reporting period.

12. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

	At 31 December 2016	At 31 December 2015
	MOP'000	*MOP'000*
Contracts in progress at the end of each reporting period:		
Contract costs incurred plus recognised profits less recognised losses	**430,338**	225,585
Less: Progress billings	**(376,535)**	(186,651)
	53,803	38,934
Analysed for reporting purposes as:		
Amounts due from customers for contract work	**60,601**	55,284
Amounts due to customers for contract work	**(6,798)**	(16,350)
	53,803	38,934

As at 31 December 2016, retention receivables held by customers for contract work amounting to MOP25,314,000 (2015: MOP12,175,000), were set out in note 11.

13. TRADE AND OTHER PAYABLES

Trade and other payables at the end of the reporting period comprise amounts outstanding for trade purposes and daily operating costs. The average credit period taken for trade purchase is 30 to 90 days.

	At 31 December 2016 *MOP'000*	At 31 December 2015 *MOP'000*
Trade payable	**32,232**	21,252
Retention payable *(note)*	**3,293**	210
Accruals and other payables	**44,861**	6,444
Total trade and other payables	**80,386**	27,906

note: Retention payables are interest-free and payable at the end of the defects liability period of individual contracts, ranging from 1 to 2 years from the completion date of the respective project.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	At 31 December 2016 *MOP'000*	At 31 December 2015 *MOP'000*
1 – 30 days	**7,545**	8,075
31 – 60 days	**5,121**	4,179
61 – 90 days	**6,577**	682
Over 90 days	**12,989**	8,316
	32,232	21,252

The retention payables are to be settled within 1 to 2 years, based on the expiry of defects liability period, at the end of each reporting period.

The following is an aged analysis of retention payables which are to be settled, based on the expiry of the defects liability period, at the end of each reporting period.

	At 31 December 2016 *MOP'000*	At 31 December 2015 *MOP'000*
On demand or within one year	**3,293**	210

The Group's trade and retention payables denominated in currencies other than the functional currency of the relevant group entities are set out below:

	At 31 December 2016 *MOP'000*	At 31 December 2015 *MOP'000*
HK$	**2,279**	3,705
RMB	**3,793**	2,126

14 BANK AND OTHER BORROWINGS

	2016	2015
	MOP'000	*MOP'000*
Variable-rate bank borrowings *(note a)*	**98,473**	46,922
Other borrowing *(note b)*	**–**	43
	98,473	46,965
Carrying amounts repayable *(note c)*:		
On demand or within one year	**35,998**	42,367
More than one year, but not exceeding two years	**3,895**	753
More than two years, but not exceeding five years	**12,222**	2,448
More than five years	**46,358**	1,397
	98,473	46,965
Less: Amounts shown under current liabilities	**(98,473)**	(46,965)
Amounts shown under non-current liabilities	**–**	–

notes:

(a) All bank borrowings contain a repayment on demand clause and are shown under current liabilities.

(b) The amount represents the interest-free loan from Macau government in November 2008. The loan is repayable half-yearly by 14 instalments and the final instalment was repaid in November 2016.

(c) The amounts due are presented based on scheduled repayment dates set out in the loan agreements.

The variable rate bank borrowings amounting to MOP80,198,000 as at 31 December 2016 (2015: MOP41,600,000), carry interests at prevailing best lending rates quoted by the banks in Macau (the "**Prime Rate**") plus or minus from 0.25% to 2.65% (2015: from 0.25% to 0.75%) per annum. The variable rate bank borrowing amounting to MOP18,275,000 as at 31 December 2016 (2015: nil) carries interests at three months Hong Kong Interbank Offered Rate ("**HIBOR**") plus 2.3% (2015: nil) per annum. The remaining variable rate bank borrowings amounting to MOP5,322,000 as at 31 December 2015 carried interest at Prime Rate less 1.5% or 2.0% per annum. The effective interest rates on the borrowings as at 31 December 2016 (which are also equal to contracted interest rate) range from 2.6% to 4.5% (2015: 4% to 5.5%).

The Group's borrowings are denominated in both MOP and HK$. These bank borrowings are under banking facilities for drawing loans and issuing performance bonds.

15. SHARE CAPITAL

The Company has been incorporated on 1 June 2016. As at 31 December 2016, the Reorganisation has not been completed. The Reorganisation was completed on 23 January 2017.

For the purpose of this announcement, the issued share capital of the Group as at 1 January 2015 represents the combined share capital of Lai Si and Well Team. The issued share capital of the Group as at 31 December 2015 represents the combined share capital of Lai Si, Well Team and Lai Si (HK). The issued share capital of the Group as at 31 December 2016 represents the combined share capital of the Company, Lai Si, Well Team and Lai Si (HK).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

On 10 February 2017 (the "**Listing Date**"), the Shares were listed on the Main Board of 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, mainly in Macau. According to the report prepared by Frost & Sullivan, an independent global market research company (the "**Frost & Sullivan Report**"), in terms of revenue, the Group was the second largest commercial fitting-out contractor in Macau in 2015, with market share of approximately 6.1%. During the year ended 31 December 2016, all of the Group's revenue was derived in Macau and Hong Kong and the Group undertook projects from both private and public sectors.

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 year ended 31 December 2016, the total value for the new fitting-out projects awarded to the Group, representing the aggregate awarded contract sum, amounted to approximately MOP153.3 million as compared to the year ended 31 December 2015 of approximately MOP162.9 million. As at 31 December 2016, the Group had an aggregate value of backlog for fitting-out projects and construction projects of approximately MOP107.8 million as compared to approximately MOP180.3 million for the year ended 31 December 2015.

Financial review

The following table sets forth a breakdown of the Group's revenue during the years ended 31 December 2016 and 2015 by business segments:

	Year ended 31 December			
	2016		2015	
	MOP'000	*%*	*MOP'000*	*%*
Fitting-out works	**280,076**	**97.3**	216,922	98.3
Construction works	**5,659**	**2.0**	1,281	0.6
Repair and maintenance works	**1,942**	**0.7**	2,508	1.1
Total	**287,677**	**100.0**	220,711	100.0

During the year ended 31 December 2016, the Group's revenue increased by approximately MOP67.0 million or 30.3%. The increase was attributable to increase in fitting-out works which increased by approximately MOP63.2 million or 29.1% and increase in construction works by approximately MOP4.4 million or over 3.4 times.

The Group's fitting-out projects can be broadly divided into three categories by type of customers, namely (i) hotel and casino; (ii) retail shop and restaurant; and (iii) others, such as the Macau Government and a maintenance centre for watches. The following table sets forth a breakdown of the Group's revenue attributable to fitting-out works during the years ended 31 December 2016 and 2015 by categories:

	Year ended 31 December			
	2016		2015	
	MOP'000	***%***	*MOP'000*	*%*
Hotel and casino	**175,698**	**62.7**	138,154	63.7
Retail shop and restaurant	**104,378**	**37.3**	78,104	36.0
Others	**–**	**–**	664	0.3
Total	**280,076**	**100.0**	216,922	100.0

The increase in fitting-out works revenue was mainly attributable to increase in revenue from hotel and casino and retail shop and restaurant which increased by approximately MOP37.5 million or 27.2% and approximately MOP26.3 million or 33.6%, respectively. The increase in fitting-out works revenue was mainly due to more fitting-out projects with revenue recognised for the year ended 31 December 2016 as compared to the previous year.

The increase in revenue of construction works was mainly attributable to increase in revenue derived from heritage conservation of approximately MOP4.4 million or 3.4 times 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 2016 and 2015 by business segments:

	Year ended 31 December			
	2016		2015	
	Gross profit MOP'000	***Gross profit margin %***	*Gross profit MOP'000*	*Gross profit margin %*
Fitting-out works	**71,664**	**25.6**	58,375	26.9
Construction works	**1,095**	**19.3**	74	5.8
Repair and maintenance works	**1,168**	**60.1**	1,783	71.1
Total/overall	**73,927**	**25.7**	60,232	27.3

During the year ended 31 December 2016, the Group's gross profit increased by approximately MOP13.7 million or 22.7% from approximately MOP60.2 million for the year ended 31 December 2015 to approximately MOP73.9 million for the year ended 31 December 2016. The increase in gross profit was mainly resulting from increase in number of projects.

The Group's gross profit margin decreased from approximately 27.3% for the year ended 31 December 2015 to approximately 25.7% for the year ended 31 December 2016. The decrease in gross profit margin was mainly attributable to lower gross profit margin from fitting-out works as a result of more intense competition for bidding large scale fitting-out projects as well as increasing number and extent of works subcontracted to third parties.

Other income, gains and losses

The Group's other income and gains decreased by approximately MOP1.9 million or 63.9% from approximately MOP3.0 million for the year ended 31 December 2015 to approximately MOP1.1 million for the year ended 31 December 2016. Such decrease was mainly attributable to decrease in imputed interest income of approximately MOP2.2 million.

Administrative expenses

The Group's administrative expenses increased by approximately MOP8.2 million or 57.0% from approximately MOP14.3 million for the year ended 31 December 2015 to approximately MOP22.5 million for the year ended 31 December 2016. Such increase was mainly attributable to (a) increase in staff number and salaries to cope with business expansion; (b) increase in directors' remuneration; and (c) increase in other administrative expenses mainly due to increase in revenue.

Listing expenses

The Group incurred listing expenses of approximately MOP14.1 million for the year ended 31 December 2016 while the Group did not incur any listing expenses for the year ended 31 December 2015.

Finance costs

The Group's finance costs increased by approximately MOP0.5 million or 26.9% from approximately MOP1.8 million for the year ended 31 December 2015 to approximately MOP2.3 million for the year ended 31 December 2016. Such increase was mainly attributable to net increase in bank borrowings of approximately MOP51.5 million for the year ended 31 December 2016.

Income tax expense

The Group's income tax expense increased from approximately MOP5.8 million for the year ended 31 December 2015 to approximately MOP5.9 million for the year ended 31 December 2016. The Group's effective tax rate increased from approximately 12.3% for the year ended 31 December 2015 to approximately 16.4% for the year ended 31 December 2016. The increase was mainly attributable to the non-tax deductible professional service fees of approximately MOP9.4 million in respect of the listing of the shares of the Company incurred in 2016.

Profit and total comprehensive income for the year attributable to owners of the Company

As a result of above, the Group's profit and total comprehensive income for the year attributable to owners of the Company decreased by approximately MOP11.2 million or 26.9% from approximately MOP41.4 million for the year ended 31 December 2015 to approximately MOP30.2 million for the year ended 31 December 2016.

Basic earnings per share

The Company's basic earnings per share for the year ended 31 December 2016 was MOP10.1 cents (2015: MOP13.8 cents), representing a decrease of MOP3.7 cents or 26.8% which is in line with the profit for the year attributable to owners of the Company when compared to the year ended 31 December 2015.

Final dividend

The Board does not recommend the payment of final dividend for the year ended 31 December 2016 (2015: Nil).

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources and capital structure

The management and control of the Group's financial, capital management and external financing functions are centralised at its headquarters 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 2016, the Group's current liabilities exceeded its current assets by MOP8,934,000. The directors of the Company consider that the Group is able to mitigate the liquidity risk as the Group has obtained sufficient funds upon the receipt of proceeds from the share offer of the Company's shares after the listing on the Stock Exchange subsequent to 31 December 2016 to support its operation as well as other cash outflow commitments.

As at 31 December 2016, the Group had net bank balances and cash of MOP2.7 million (31 December 2015: MOP1.9 million), which comprised bank balances and cash of MOP10.3 million (31 December 2015: MOP1.9 million) and bank overdrafts of MOP7.6 million (31 December 2015: Nil).

As at 31 December 2016, the Group had an aggregate of pledged bank deposits of MOP1.7 million (31 December 2015: MOP1.1 million) that are used to secure banking facilities.

As at 31 December 2016, bank and other borrowings amounted to MOP98.5 million (31 December 2015: MOP47.0 million) of which MOP36.0 million, MOP3.9 million, MOP12.2 million and MOP46.4 million (31 December 2015: MOP42.4 million, MOP0.8 million, MOP2.4 million and MOP1.4 million) will mature within one year, one year to two years, two years to five years and more than five years, respectively.

The Group continued to maintain a healthy liquidity position. As at 31 December 2016, the Group's current assets and current liabilities were MOP208.1 million (31 December 2015: MOP212.2 million) and MOP217.1 million (31 December 2015: MOP109.6 million), respectively. The Group's current ratio decreased to 1.0 (31 December 2015: 1.9) mainly arising from the dividend of MOP70.0 million declared and settled during the year ended 31 December 2016 which reduced the bank balances and cash. The Group has maintained sufficient liquid assets to finance its operations.

Gearing ratio calculated by dividing total debts (including bank and other borrowings) with total equity was 1.6 as at 31 December 2016 (31 December 2015: 0.4). The increase in gearing ratio was primarily due to an increase in bank borrowings to finance the acquisition of the Group's property.

As at 31 December 2016, the share capital and equity attributable to owners of the Company amounted to MOP86,000 and MOP67.6 million, respectively (31 December 2015: MOP85,000 and MOP107.5 million, respectively).

Charge on the Group's assets

As at 31 December 2016, the leasehold land and building, construction in progress and pledged bank deposits pledged to secure certain borrowings granted to the Group amounted to MOP18.3 million, MOP54.2 million and MOP1.7 million (31 December 2015: MOP3.7 million, nil and MOP1.1 million), respectively.

Contingent liabilities and capital commitments

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 caused to be accused 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$49.0 million, 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.

In October 2015, the Macau Government has further filed a lawsuit against several defendants including Lai Si, seeking for a compensation for the costs incurred by the Macau Government for (i) measures it had taken to prevent Sin Fong Garden Building from being collapsed; (ii) ensuring the safety of citizens and adjacent buildings; and (iii) the technical advisors and experts it had hired to study the causes of the incident, in a total sum of approximately MOP12.8 million, to be borne jointly by the defendants.

Up to the date of this announcement, the proceedings are still awaiting to be scheduled for the trial hearings. After consulting the Macau Legal Advisers (as defined in the Prospectus), the Directors 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 to the financial information. The Controlling Shareholders have undertaken to indemnify the Group against all losses and liabilities arising from the above proceedings.

As at 31 December 2016, the Group had operating lease commitments of MOP175,000 (31 December 2015: MOP513,000).

As at 31 December 2016, the Group did not have any capital commitments (31 December 2015: 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 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 arises.

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 is arising from the carrying amount of the respective recognised financial assets as stated in the combined statements 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. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

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 this regard, the Directors consider that the credit risk is significantly reduced.

The Group is exposed to concentration of credit risk as at 31 December 2016 on trade and retention receivables from the Group's five major customers amounting to approximately MOP61.5 million (2015: MOP21.1 million) and accounted for approximately 79% (2015: 53%) of the Group's total trade and retention receivables. 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.

In order to minimise the credit risk, the management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

EVENT AFTER THE REPORTING PERIOD

Subsequent to 31 December 2016, the following significant events took place:

(i) On 23 January 2017, the Reorganisation as detailed in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus was duly completed.

(ii) On 18 January 2017, written resolutions of the sole shareholder of the Company were passed to approve the followings:

  (a) the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 shares to HK$10,000,000 divided into 1,000,000,000 shares by the creation of an additional 962,000,000 shares of HK$0.01 each;

  (b) subject to the share premium account of the Company being credited as a result of the share offer resulting from the proposed listing, the directors were authorised to allot and issue a total of 299,950,000 shares, credited as fully paid at par, to the sole shareholder by way of capitalisation of a sum of HK$2,999,500 standing to the credit of the share premium account of the Company; and

  (c) the share option scheme of the Company was conditionally adopted on 18 January 2017 and the principal terms of which are set out in Appendix VI to the Prospectus.

(iii) On 10 February 2017, a total of 299,950,000 shares were allotted and issued, credited as fully paid at par, to the sole shareholder by way of capitalisation of a sum of HK$2,999,500 standing to the credit of the share premium account of the Company, and that such shares to be allotted and issued, as nearly as possible, without involving fractions, and such share to rank pari passu in all respects with the then existing issued shares of the Company.

(iv) On 10 February 2017, 100,000,000 ordinary shares with a par value of HK$0.01 each of the Company were issued at a price of HK$1.15 per share by way of public offering. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the total number of full-time employees of the Group was 183 (31 December 2015: 168).

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 MOP60.4 million for the year ended 31 December 2016 (2015: MOP52.7 million).

The Company adopted a share option scheme so that the Company may grant options to the eligible participants as incentives or rewards for their contribution to the Group.

USE OF PROCEEDS FROM THE SHARE OFFER

The Shares have been listed and traded on the Main Board of the Stock Exchange since 10 February 2017.

The net proceeds from the Placing and Public Offer (the "**Share Offer**") (as defined in the Prospectus) amounted to approximately HK$89.8 million (equivalent to approximately MOP92.5 million) (after deducting underwriting fees and commissions and all related expenses). Such net proceeds are intended to be applied in accordance with the proposed application as disclosed in the Prospectus.

Net proceeds from the Share Offer

	Net proceeds (HK$ million)		
	Available	**Utilised**	**Unutilised**
Finance fitting-out projects in Macau	49.4	8.0	41.4
Finance construction projects in Macau	17.9	–	17.9
Finance the start-up costs of fitting-out business in Hong Kong	9.0	–	9.0
Hire additional staff for the Group's business operation	4.5	–	4.5
General working capital	9.0	8.0	1.0
	89.8	16.0	73.8

As at 24 March 2017, the unutilised net proceeds from the Share Offer were deposited in the bank accounts of the Group.

PROSPECTS AND STRATEGIES

The Group remains cautiously optimistic of the fitting-out industry in Macau and Hong Kong. The Group believes that growth opportunities exist in Macau and Hong Kong in the next few years.

According to the Frost & Sullivan Report, the fitting-out market in Macau is expected to have a modest growth at a compounded annual growth rate ("**CAGR**") of approximately 12.4% over the period from 2015 to 2020, and achieve approximately MOP11,539.3 million in the year of 2020 due to the completion of the Hong Kong – Zhuhai – Macau Bridge which is expected to promote tourism in Macau in the coming years. Besides, it is an industry norm that a commercial construction project refurbishes its interior decoration every three to five years, which indicates a stimulus that many hotels, retail stores and offices, which were built from 2010 to 2014, are to be renovated from 2015 to 2020.

According to the Frost & Sullivan Report, Hong Kong fitting-out market is expected to have a relatively lower growth rate at a CAGR of approximately 10.2%, reaching approximately HK$11,741.2 million by the end of 2020. The continuous growth in fitting-out market is mainly stimulated by the steady economic growth and the growing property market. Development in shopping malls, residential units and urban renewal are the driving forces of the property market, which will improve the demand for fitting-out services.

As disclosed in the Prospectus, the Group's principal business objective is to further strengthen its position and overall competitiveness of its fitting-out and construction businesses in Macau and to gain a foothold in the fitting-out market in Hong Kong. The Group intends to achieve this by (a) strengthening the Group's financial capabilities to undertake more new and larger scale fitting-out projects and construction projects; (b) strengthening the Group's in-house team of experienced personnel; and (c) expanding the Group's market coverage to gain a foothold in the fitting-out market in Hong Kong.

To achieve the Group's future expansion plans, the Directors intend to (i) use approximately HK$59.3 million (equivalent to approximately MOP61.1 million) to strengthen the Group's financial capabilities to undertake more new and larger scale fitting-out projects and construction projects; (ii) use approximately HK$4.5 million (equivalent to approximately MOP4.6 million) to further strengthen the Group's in-house team of experienced personnel; and (iii) use approximately HK$9.0 million (equivalent to approximately MOP9.3 million) to expand the Group's market coverage to gain a foothold in the fitting-out market in Hong Kong and the remaining proceeds will be used as general working capital.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 December 2016.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is scheduled to be held on Friday, 23 June 2017. In order to establish entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 20 June 2017 to Friday, 23 June 2017, both days inclusive, during which period no transfer of Shares will be registered. All transfers of Shares 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 19 June 2017.

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

During the period from the Listing Date to the date of this announcement, 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 period from the Listing Date to the date of this announcement, the Company has complied with all the applicable provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules. The CG Code is not applicable to the Company before the Listing Date.

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 10 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 since the Listing Date and up to the date of this announcement.

AUDIT COMMITTEE

The Company established 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. Chan Chun Sing, Mr. Chan Iok Chun and Mr. Mak Heng Ip. Mr. Chan Chun Sing 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 announcement of the Company for the year ended 31 December 2016.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's combined statement of financial position as at 31 December 2016, and the combined statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited combined financial information for the year ended 31 December 2016. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the respective websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.lai-si.com). The annual report for the year ended 31 December 2016 containing all the information required by the Listing Rules will be published on the websites of the Company and Hong Kong Exchanges and Clearing Limited and despatched to the shareholders 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 2016.

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, 24 March 2017

As of 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. CHAN Chun Sing, Mr. CHAN Iok Chun and Mr. MAK Heng Ip.