Lai Group Holding Company Limited
禮建德集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8455)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2026

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "**Directors**") of Lai Group Holding Company Limited (the "**Company**" and together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINAL RESULTS

The board of Directors (the "**Board**") of the Company announces the consolidated results of the Group for the year ended 31 March 2026, together with the comparative figures for the year ended 31 March 2025. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Revenue	4	**102,127**	93,689
Direct costs		**(80,116)**	(78,759)
Gross profit		**22,011**	14,930
Other income, other gains and losses, net	5	**1,294**	1,267
Impairment loss recognised, net	6	**(502)**	(764)
Administrative and other operating expenses		**(32,001)**	(28,203)
Operating loss	6	**(9,198)**	(12,770)
Finance costs	7	**(240)**	(253)
Loss before income tax		**(9,438)**	(13,023)
Income tax (expense) credit	8	**(2)**	26
Loss for the year		**(9,440)**	(12,997)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3)**	(1)
Other comprehensive expense for the year, net of income tax		**(3)**	(1)
Total comprehensive expense for the year		**(9,443)**	(12,998)
(Loss) profit for the year attributable to:			
– Owners of the Company		**(9,461)**	(12,997)
– Non-controlling interests		**21**	–
		(9,440)	(12,997)
Total comprehensive (expense) income attributable to:			
– Owners of the Company		**(9,464)**	(12,998)
– Non-controlling interests		**21**	–
		(9,443)	(12,998)
Loss per share	10		
– Basic and diluted *(HK cents)*		**(1.02)**	(1.62)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**7,600**	7,900
Right-of-use assets		**–**	100
		7,600	8,000
CURRENT ASSETS			
Contract assets		**1,234**	782
Inventory		**754**	–
Trade and other receivables	*11*	**1,310**	2,630
Tax recoverable		**35**	40
Cash and cash equivalents		**9,422**	12,120
		12,755	15,572
CURRENT LIABILITIES			
Contract liabilities		**11,246**	10,418
Trade and other payables	*12*	**8,775**	8,955
Amount due to a director		**–**	86
Provision for warranties		**538**	744
Bank borrowings		**4,084**	4,536
Loan from a director		**2,000**	–
Lease liabilities		**439**	1,016
		27,082	25,755
NET CURRENT LIABILITIES		**(14,327)**	(10,183)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(6,727)**	(2,183)
NON-CURRENT LIABILITIES			
Lease liabilities		**62**	203
Loan from a director		**–**	2,000
Deferred tax liabilities		**9**	9
		71	2,212
NET LIABILITIES		**(6,798)**	(4,395)
CAPITAL AND RESERVES			
Share capital		**9,600**	8,000
Reserves		**(16,474)**	(12,395)
		(6,874)	(4,395)
Non-controlling interest		**76**	–
TOTAL DEFICITS		**(6,798)**	(4,395)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public exempted company with limited liability incorporated in Cayman Islands and its shares are listed on the GEM of the Stock Exchange. The address of the registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is Office H, 19/F, Phase 01, Kings Wing Plaza, 3 On Kwan Street, Shek Mun, Sha Tin, New Territories, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of interior design and fit-out services in Hong Kong; and provision of health industry supply chain services in the People's Republic of China ("**PRC**").

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability Disclosures[3]
Amendments to HK Interpretation 5	Amendments to Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments) [3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss, provides disclosures on management-defined performance measures ("**MPMs**") in the notes to the financial statements, and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance ("**CO**").

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

During the year ended 31 March 2026, the Group incurred a net loss for the year attributable to the owners of the Company of approximately HK$9,461,000 for the year ended 31 March 2026 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$14,327,000 and the Group has net liabilities of approximately HK$6,798,000. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, and thus, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern after taking into consideration the followings:

- The Group has an available loan facilities of HK$15,000,000 from a financial institution which are valid till December 2027;

- Subsequent to the reporting date, the Group received HK$7,600,000 as repayment of a loan pursuant to the sale and purchase agreement for the disposal of a subsidiary;

- The management has been implementing various strategies to broaden the customer base and revenue of the Group;

- The Group has undertaken a comprehensive review of its operational structure to aim at improving cash flow and profitability. These measures include downsizing or disposing non-profitable business units, renegotiating supplier contracts to reduce procurement costs, and optimising overhead expenditures; and

- The Directors are actively seeking for potential investors to improve capital structure of the Group. This would provide the Group with additional liquidity to meet short-term obligations and continue its operations without significant disruption.

The Directors have reviewed the Group's cash flow projections prepared by the management, which covers a period of not less than twelve months from 31 March 2026, on the basis that the Group's aforementioned plans and measures will be successful, the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the end of the reporting period. Accordingly, the Directors believe that the Group will continue as a going concern and therefore consider it is appropriate to adopt a going concern basis in preparing its consolidated financial statements.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write-down the carrying values of the assets of the Group to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	2026	2025
	HK$'000	*HK$'000*
Types of goods and services		
Interior design and fit-out services		
Residential interior design and fit-out services	**91,994**	90,880
Commercial interior design and fit-out services	**10,020**	2,809
	102,014	93,689
Health industry supply chain business		
Health product sale	**113**	–
Total	**102,127**	93,689
Timing of revenue recognition		
Over time	**102,014**	93,689
A point in time	**113**	–
Total	**102,127**	93,689

Operating segment

Information reported to the Board, being the chief operating decision maker ("**CODM**"), for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 March 2026, the Group commenced the business engaging in health industry supply chain services with the new establishment of subsidiaries in the PRC, and it is considered as a new operating and reportable segment by the CODM.

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

a.	Interior design and fit-out services	Provision of residential and commercial interior design and fit-out services
b.	Health industry supply chain business	Health product sales, business consulting and supervision, talent training and education

Segment revenue and results

Year ended 31 March 2026

	Interior design and fit-out business *HK$'000*	Health industry supply chain business *HK$'000*	Total *HK$'000*
Segment revenue	**102,014**	**113**	**102,127**
Segment results	**(1,686)**	**44**	**(1,642)**
Unallocated corporate income			**14**
Unallocated corporate expenses			**(7,810)**
Loss before income tax			**(9,438)**

5. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	2026 ***HK$'000***	2025 *HK$'000*
Other income		
Interest income	**24**	244
Management fee income	**1,228**	987
Gain on disposal of property, plant and equipment	**15**	4
Others	**27**	32
	1,294	1,267

6. OPERATING LOSS

	2026	2025
	HK$'000	*HK$'000*
Operating loss has been arrived at after charging (crediting):		
Staff costs (including directors' emoluments)		
Salaries and other benefits in kind	**15,540**	13,568
Contributions to retirement benefit scheme	**413**	348
Total staff costs	**15,953**	13,916
Impairment losses recognised on:		
– property, plant and equipment	**86**	420
– right-of-use assets	**314**	369
	400	789
Impairment loss recognised (reversal) under expected credit loss model, net:		
– trade receivables	**32**	(23)
– contract assets	**72**	–
– other receivables	**(2)**	(2)
	102	(25)
Total impairment losses recognised, net	**502**	764
Auditor's remuneration	**480**	480
Cost of inventories recognised as an expense	**14,628**	14,994
Depreciation of property, plant and equipment	**214**	229
Depreciation of right-of-use assets	**223**	49

7. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on bank borrowings	**126**	163
Interest on lease liabilities	**114**	90
	240	253

8. INCOME TAX EXPENSE (CREDIT)

	2026	2025
	HK$'000	*HK$'000*
Hong Kong Profits tax:		
Hong Kong Profits tax	**–**	4
PRC Enterprise Income Tax	**2**	–
Deferred income tax credit	**–**	(30)
Income tax expense (credit)	**2**	(26)

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss

	2026	2025
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**9,461**	12,997

Number of shares

	2026	2025
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**925,370**	800,000

No diluted loss per share for the years ended 31 March 2026 and 2025 were presented as there were no potential ordinary shares in issue for the years ended 31 March 2026 and 2025.

11. TRADE AND OTHER RECEIVABLES

	2026 *HK$'000*	2025 *HK$'000*
Trade receivables	**322**	490
Less: Allowance for credit losses	**(32)**	–
	290	490
Other receivables, deposits and prepayments	**1,032**	2,154
Less: Allowance for credit losses	**(12)**	(14)
	1,020	2,140
Total trade and other receivables	**1,310**	2,630

Note:

The following is an ageing analysis of gross trade receivables, net of allowance of credit losses presented based on the invoice dates:

	2026 *HK$'000*	2025 *HK$'000*
0-30 days	**216**	156
31-60 days	**104**	303
61-90 days	**2**	31
	322	490

12. TRADE AND OTHER PAYABLES

	2026 *HK$'000*	2025 *HK$'000*
Trade payables	**5,824**	6,712
Other payables and accruals	**2,951**	2,243
	8,775	8,955

Note:

The following is an ageing analysis of trade payables presented based on the invoice date.

	2026 *HK$'000*	2025 *HK$'000*
0-30 days	**3,942**	1,724
31-60 days	**238**	1,555
61-90 days	**439**	2,142
Over 90 days	**1,205**	1,291
	5,824	6,712

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2026.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the HKICPA and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3.1 to the consolidated financial statements, the Group incurred a net loss attributable to owners of the Company of approximately HK$9,461,000 for the year ended 31 March 2026 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$14,327,000 and the Group has net liabilities of approximately HK$6,798,000. These events and conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The aforesaid "Note 3.1 to the consolidated financial statements" extracted from the independent auditor's report is disclosed in Note 3 to this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of interior design and fit-out services in Hong Kong. The Group offers a full suite of services including interior design provided by the Group's in-house design team, providing the Group's customers with creative and innovative designs that synergise with the latest market and design trends. In order to complete the projects, the Group relies on its subcontractors to implement the designs with high quality fittings and furnishings.

The Group's business can be classified into (i) residential interior design and fit-out services; and (ii) commercial interior design and fit-out services. The Group generated revenue of approximately HK$102.1 million and approximately HK$93.7 million, of which approximately HK$92.0 million and approximately HK$90.9 million, representing 90.1% and 97.0% of the Group's total revenue, were generated from residential interior design and fit-out services for the years ended 31 March 2026 and 2025, respectively. Approximately HK$10.0 million and approximately HK$2.8 million, representing approximately 9.8% and approximately 3.0% of the Group's total revenue, were generated from commercial interior design and fit-out services for the years ended 31 March 2026 and 2025, respectively.

In 2026, the Group has commenced the health industry supply chain business (the "**New Business**"). The New Business will be committed to building a full industry chain operation system covering product sales, business consulting and supervision, talent training and education, and other related areas. In the future, the Group plans to integrate an "online + offline" hybrid business model to deploy its health industry supply chain business, thereby entering the promising market of the big health industry. The New Business will focus on serving the silver-haired population (senior citizens), providing them with one-stop health concepts and services with the "Le Xiang Gong Da" (shared joy and mutual achievement) brand's features. For the year ended 31 March 2026, the Group generated revenue of approximately HK$0.1 million (2025: Nil), representing approximately 0.1% of the Group's total revenue, from the New Business.

For the year ended 31 March 2026, the Group recorded a net loss of approximately HK$9.4 million as compared with approximately HK$13.0 million for the same period in 2025. The Directors are of the view that the decrease in net loss was primarily attributable to (i) the increase in revenue from approximately HK$93.7 million for the year ended 31 March 2025 to approximately HK$102.1 million for the year ended 31 March 2026; and (ii) the increase in gross profit margin from approximately 15.9% for the year ended 31 March 2025 to approximately 21.6% for the year ended 31 March 2026.

OUTLOOK

The Company anticipates continued uncertainty in the Hong Kong property market in the near term, driven by broader economic volatility. Concurrently, property developers are persisting with the construction of smaller residential units to enhance affordability for the general public. Amid this backdrop, the current financial year presents significant challenges, as the unstable property sector has already exerted, and is expected to maintain, adverse impacts on Hong Kong's overall economy. In such a competitive landscape, the Group foresees rivals intensifying aggressive pricing strategies while contending with elevated operating costs. Accordingly, the Board will exercise prudence in business expansion, prioritizing stringent cost management and vigilant monitoring of market dynamics to mitigate potential downturns or shifts in the property sector. Additionally, the Board will assess potential business opportunities that are beneficial to the Group and enhance shareholder value for the Company.

Looking ahead, the Company observes positive indicators, including a rebound in overall property transaction volumes and an increase in first-hand private residential registrations. Furthermore, an increase in corporate office relocations presents potential opportunities for the Group to expand its commercial interior design and fit-out services. As housing affordability improves, the Board anticipates sustained long-term growth in demand for the Group's offerings. To capitalize on this, the Company will continue its marketing and promotional initiatives to bolster brand recognition within the renovation and interior fit-out market. Committed to leveraging the prospective enlargement of its market presence in Hong Kong, the Group will strategically extend its operational footprint to engage a broader customer base. Overall, the Company maintains a cautiously optimistic outlook for Hong Kong business.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from the provision of interior design and fit-out services in Hong Kong which includes two main categories, namely (i) residential interior design and fit-out services; and (ii) commercial interior design and fit-out services; and health industry supply chain business in PRC. For the year ended 31 March 2026, the Group's revenue increased by approximately 9.0% to approximately HK$102.1 million (2025: approximately HK$93.7 million). Such increase was mainly due to an increase in revenue generated from commercial interior design and fit out services as a result of increase in corporate office relocations.

	For the year ended 31 March			
Revenue by business segment	**2026**		2025	
	HK$'000	*%*	*HK$'000*	*%*
Residential interior design and fit-out services	**91,994**	**90.1**	90,880	97.0
Commercial interior design and fit-out services	**10,020**	**9.8**	2,809	3.0
	102,014	**99.9**	93,689	100.0
Health industry supply chain business				
Health product sale	**113**	**0.1**	–	0.0
	102,127	**100.0**	93.689	100.0

Direct costs

The Group's direct costs consist primarily of (i) materials and inventories; (ii) subcontracting charges; (iii) staff costs; and (iv) reversal of provision for warranties. The table below sets forth a breakdown of components of direct costs for the years ended 31 March 2026 and 2025:

	For the year ended 31 March			
Components of direct costs	**2026**		2025	
	HK$'000	*%*	*HK$'000*	*%*
Materials and inventories	**14,628**	**18.3**	14,994	19.0
Subcontracting charges	**60,681**	**75.7**	58,933	74.8
Staff costs	**5,013**	**6.3**	4,871	6.2
Reversal of provision for warranties	**(206)**	**(0.3)**	(39)	0.0
Total	**80,116**	**100.0**	78,759	100.0

The Group's direct costs increased by approximately 1.6% from approximately HK$78.8 million for the year ended 31 March 2025 to approximately HK$80.1 million for the year ended 31 March 2026. Such increase was mainly driven by the increase in staff costs and the subcontracting charges for the year ended 31 March 2026.

Gross profit and gross profit margin

Gross profit represents revenue less direct costs. The Group's gross profit increased by approximately HK$7.1 million, or approximately 47.4%, from approximately HK$14.9 million for the year ended 31 March 2025 to approximately HK$22.0 million for the year ended 31 March 2026. The Group's gross profit margin was approximately 21.6% for the year ended 31 March 2026, representing a increase of approximately 5.7 percentage points as compared to approximately 15.9% for the year ended 31 March 2025. The increase in gross profit margin was mainly due to the relatively higher profit margin for commercial projects and delivery of high margin projects during the year.

Other income, other gains and losses, net

Other income, other gains and losses, remained relatively stable at approximately HK$1.3 million for the years ended 31 March 2025 and 2026.

Administrative and other operating expenses

The Group's administrative and other operating expenses increased by approximately 13.5% from approximately HK$28.2 million for the year ended 31 March 2025 to approximately HK$32.0 million for the year ended 31 March 2026. Such increase was mainly driven by the increase in staff costs, increase in transportation and travelling costs and other general expenses.

Impairment loss recognised, net

In view of the loss of the Group resulted from the challenging business environment in Hong Kong throughout the year ended 31 March 2026 and 2025, the Group, with the assistance of an independent professional valuer, assessed if any impairment loss should be recognised for the non-current assets of the Group including property, plant and equipment and right-to-use assets.

Impairment loss of approximately HK$0.1 million (2025: HK$0.4 million) and HK$0.3 million (2025: HK$0.4 million) were recognised for property, plant and equipment and right-of-use assets, respectively, for the year ended 31 March 2026.

Finance costs

Finance costs of the Group decreased by approximately 5.1% from approximately HK$253,000 for the year ended 31 March 2025 to approximately HK$240,000 for the year ended 31 March 2026. The decrease in finance costs was mainly attributable to a decrease in interest on bank borrowing for the year ended 31 March 2026.

Income tax (expense) credit

The Group's income tax expense for the year ended 31 March 2026 was approximately HK$2,000, as compared to an income tax credit of approximately HK$26,000 for the year ended 31 March 2025.

Loss attributable to owners of the Company

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately HK$9.5 million and approximately HK$13.0 million for the years ended 31 March 2026 and 2025, respectively.

USE OF NET PROCEEDS FROM THE PLACING

On 26 May 2025, the Company announced its proposal to raise approximately HK$7.2 million (before deducting expenses of approximately HK$0.2 million) through placement by issuing 160,000,000 placing shares (the "**Placing**") (which, when fully paid, shall rank pari passu with the ordinary shares) to not less than six Placees at a price of HK$0.045 per placing share (the "**Placing Share(s)**"). The net price per Placing Share was approximately HK$0.044. The Placing was completed on 19 June 2025. A total of 160,000,000 Placing Shares were issued, accounting for approximately 16.67% of the Company's issued share capital (as enlarged by the allotment and issue of the Placing Shares). After the completion of the Placing, the number of the Company's issued share capital increased to 960,000,000 shares. The total par value of the Placing Shares was HK$1,600,000. The subscription price of the Placing Shares represented a discount of approximately 19.64% to the closing price of HK$0.056 per Share as quoted on the Stock Exchange on the date of the Placing Agreement and a discount of approximately 12.79% to the average closing price of HK$0.0516 per Share as reported on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement. The reason for the Placing was to raise funds for general working capital.

As disclosed in the placing announcements dated 26 May 2025 and 19 June 2025 (the "**Placing Announcements**"), the total proceeds from the Placing were approximately HK$7.2 million, and the net proceeds (after deducting relevant expenses) were approximately HK$7.0 million. The Company intends to use (i) approximately HK$4.0 million for settling the administrative and other operating expenses, including but not limited to rental, administrative expenses, management's salaries, professional fees and other routine operating expenditures; and (ii) approximately HK$3.0 million for sales and marketing expenses of the business operation.

From the completion of the Placing to 31 March 2026, the net proceeds from the Placing of the Company had been applied as follows:

	Intended use of net proceeds	**Actual use of net proceeds for the period ended and up to 31 March 2026**	**Actual use of net proceeds up to 31 March 2026**	**Remaining balancing of net proceeds up to 31 March 2026**	**Expected time for fully utilisation of the net proceeds**
	HK$'million	*HK$'million*	*HK$'million*	*HK$'million*	
Administrative and other operating expenses	4.0	3.8	3.8	0.2	Second half of 2026
Sales and marketing expenses	3.0	–	–	3.0	Second half of 2026
	7.0	3.8	3.8	3.2	

Up to 31 March 2026, the net proceeds from the Placing have been utilised in the manner disclosed in the Placing Announcements.

At at 31 March 2026, the unutilised net proceeds of approximately HK$3.2 million have been placed as deposits into licensed banks in Hong Kong and are expected to be used according to the intention previously disclosed. Such amounts are expected to be fully utilised by the second half of 2026.

CAPITAL STRUCTURE

The share capital of the Group consists only of ordinary shares.

On 19 June 2025, the number of issued share capital of the Company increased from 800,000,000 shares to 960,000,000 shares as a result of the completion of the Placing. For details of the Placing, please refer to the Placing Announcements.

As at 31 March 2026, the issued share capital of the Company was HK$9.6 million, and the number of its issued ordinary shares was 960,000,000, with a par value of HK$0.01 per share.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has funded the liquidity and capital requirements principally from cash generated from operations, loans and the net proceeds from the Placing.

As at 31 March 2026, the Group had total debts, comprising bank borrowing, loan from a director and lease liabilities, of approximately HK$6.6 million which was denominated in Hong Kong Dollars (2025: approximately HK$7.8 million).

As at 31 March 2026, the Group had approximately HK$9.4 million in cash and bank balance and time deposits (2025: approximately HK$12.1 million).

GEARING RATIO

As at 31 March 2026, the gearing ratio of the Group was approximately -96.9% (2025: approximately -176.5%). Gearing ratio is calculated as total debts divided by total deficits. The negative gearing ratio reflects the deficit in equity of the Group. The apparent improvement in the gearing ratio (from -176.5% to -96.9%) is primarily due to the increase in the deficits, during the year rather than a reduction in the Group's debt level.

As at 31 March 2026, the debt-to-assets ratio of the Group was approximately 32.4% (2025: approximately 33.3%). The debt-to-assets ratio is calculated as total debts divided by total assets. This ratio measures the proportion of the Group's total assets that are financed by debt and provides an indication of the Group's leverage position.

CHARGE ON GROUP ASSETS

As at 31 March 2026, no asset of the Group was pledged as a security for bank borrowing or any other financing facilities (2025: Nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there were no significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures by the Company during the year ended 31 March 2026. The Group did not have any other plan for material investments or capital assets as at 31 March 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2026, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities including the sale of treasury shares (as defined under the GEM Listing Rules). As at 31 March 2026, there were no treasury shares held by the Company.

FOREIGN EXCHANGE EXPOSURE

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. As such, the Directors are of the view that the Group did not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's bank balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2026 (2025: Nil).

CAPITAL COMMITMENTS

As at 31 March 2026, the Group had approximately HK$1,205,000 of capital commitment in relation to the unpaid registered capital of subsidiaries (2025: approximately HK$10,000).

SEGMENT INFORMATION

The Group principally operates in the provision of interior design and fit-out services in Hong Kong and health industry supply chain business in PRC.

FINAL DIVIDENDS

The Directors do not recommend the payment of final dividend for the year ended 31 March 2026 (2025: Nil).

INFORMATION ON EMPLOYEES

As at 31 March 2026, the Group had 23 employees working in Hong Kong (2025: 22). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Share options may also be granted to eligible employees and persons of the Group. Various types of trainings were provided to the employees. The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the year ended 31 March 2026 amounted to approximately HK$16.0 million (2025: approximately HK$13.9 million).

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to promote the interests of its shareholders of the Company.

Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices, transparency and accountability to all stakeholders.

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code for the year ended 31 March 2026.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the "**Code of Conduct**"). Based on specific enquiry with the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance throughout the year.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 24 March 2017. The chairman of the Audit Committee is Ms. Sun Wai Ling and other members included Dr. Chung Siu Kuen and Ms. Ma Yufei, all of them are independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company's website.

The primary duties of the Audit Committee are mainly to review the financial information, oversee the financial controls, internal control procedures and risk management systems and relationship with the external auditors and review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 March 2026.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditors, Asian Alliance (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Asian Alliance (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance (HK) CPA Limited on the preliminary announcement.

The Group's annual results for the year ended 31 March 2026 has been reviewed by the Audit Committee.

EVENT AFTER THE REPORTING PERIOD

Disposal of a subsidiary

On 5 June 2026 (after trading hours), Kingsky Group Limited (a direct wholly-owned subsidiary of the Company) (the "**Vendor**"), Dr. Chan Lai Sin ("**Dr. Chan**") or (the "**Purchaser**") and Fame Protector Limited (a direct wholly-owned subsidiary of the Vendor) (the "**Target Company**") entered into the share purchase agreement (the "**S&P Agreement**"), pursuant to which, (1) the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest of the Target Company for the consideration of HK$1; and (2) the Purchaser has conditionally agreed that the loan, being the outstanding loan due from the Target Company amounted to HK$7,600,000 shall be paid to Smart Will Engineering Limited (an indirect wholly-owned subsidiary of the Company) (the "**Disposal**") upon completion of the Disposal pursuant to the S&P Agreement (the "**Completion**"), subject to the terms and conditions of the S&P Agreement. As at 5 June 2026, the Target Company was an indirect wholly-owned subsidiary of the Company and the major asset held is the property, which comprises one office unit with a total saleable area of approximately 82.037 square metres (883 square feet), located at Office H, 19/F Kings Wing Plaza 1, No. 3 On Kwan Street, Shek Mun, Sha Tin, New Territories, Hong Kong. Upon completion in June 2026, the Target Company has ceased to be a subsidiary of the Company.

As at 5 June 2026, Dr. Chan, the Purchaser, is an executive Director and a substantial shareholder of the Company, and is therefore a connected person of the Company. As such, the Disposal constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. As the highest of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, and the Consideration is less than HK$10,000,000, the Disposal is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirement pursuant to Chapter 20 of the GEM Listing Rules.

Further details please refer to the announcement of the Company dated 5 June 2026.

Entered into an offer letter in relation to a tenancy agreement

On 22 June 2026, Enjoy Together Share Limited, an indirect wholly-owned subsidiary of the Company, as tenant (the "**Tenant**"), signed a binding letter of offer and acceptance (the "**Letter of Offer and Acceptance**") with Mulia Property Development Sdn Bhd, as the landlord (the "**Landlord**"), an independent third party, in relation to the lease of Suite 70.03, Level 70, Menara Exchange 106, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, Malaysia (the "**Premises**") at a monthly rent of RM89,712 (approximately HK$173,144) for a term of three (3) years commencing on 1 November 2026 and expiring on 31 October 2029, both days inclusive. A formal tenancy agreement (the "**Tenancy Agreement**") will be entered into between the parties before 1 November 2026.

Acceptance of the offers contained in the Letter of Offer and Acceptance to enter into the Tenancy Agreement shall constitute valid and binding agreements between the Tenant and the Landlord for the Tenancy Agreement of the Premises, and therefore constitutes a discloseable transaction of the Company under the GEM Listing Rules.

In accordance with HKFRS16 “Leases”, the entering into of the Letter of Offer and Acceptance will require the Group to recognise the lease of Premises as the right-of-use asset on its consolidated statement of financial position, thus the entering into of the Letter of Offer and Acceptance and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules.

Based on preliminary estimation of the Company, the unaudited value of the right-of-use asset to be recognised by the Group under the Tenancy Agreement shall amount to approximately HK$4.61 million, which is the present value of the aggregate lease payments payable under the term of the Tenancy Agreement in accordance with HKFRS 16. Discount rate of 9.22% is applied to compute the present value of aggregate lease payments under the Tenancy Agreement. The payments to be made by the Company under the Letter of Offer and Acceptance and Tenancy Agreement will be settled by the internal resources of the Group.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the value of the right-of-use asset recognized by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the Letter of Offer and Acceptance and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements but exempt from shareholders’ approval requirement under Chapter 19 of the GEM Listing Rules.

Further details please refer to the announcement of the Company dated 22 June 2026.

Save as disclosed in the announcement, there is no other important event affecting the Group since 31 March 2026 and up to the date of this announcement.

By order of the Board
Lai Group Holding Company Limited
Wang Guoping
Chairman and Executive Director

Hong Kong, 24 June 2026

As at the date of this announcement, the Board comprises Mr. Wang Guoping and Dr. Chan Lai Sin as executive Directors; Ms. Liu Lihui as a non-executive Director; and Dr. Chung Siu Kuen, Ms. Ma Yufei and Ms. Sun Wai Ling as independent non-executive Directors.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.dic.hk.