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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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the three months ended 30 June 2017

The unaudited condensed consolidated results of the Group for the three months ended 30 June 2017, together with the unaudited comparative figures for the corresponding period in 2016, are as follows:

		Unaudited	
		Three months ended 30 June	
		2017	2016
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	33,146	30,813
Direct costs		<u>(23,220)</u>	<u>(22,069)</u>
Gross profit		9,926	8,744
Administrative and other operating expenses		<u>(9,204)</u>	<u>(8,943)</u>
Operating profit/(loss)		722	(199)
Finance costs		<u>(16)</u>	<u>(20)</u>
Profit/(Loss) before income tax		706	(219)
Income tax expense	4	<u>(349)</u>	<u>(350)</u>
Profit/(Loss) and total comprehensive income/(expense) for the period		<u>357</u>	<u>(569)</u>
Profit/(Loss) and total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		248	(621)
Non-controlling interests		<u>109</u>	<u>52</u>
		<u>357</u>	<u>(569)</u>
Earnings/(Losses) per share attributable to owners of the Company for the period			
– Basic and diluted earnings/(losses) per share	5	<u>HK0.03 cents</u>	<u>(HK0.10 cents)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Subtotal HK\$'000	Attributable to non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note i)	Retained earnings HK\$'000			
Balance at 1 April 2017 (Audited)	6,000	–	(5,899)	3,666	3,767	430	4,197
Profit and total comprehensive income for the period	–	–	–	248	248	109	357
Share issued pursuant to the share offer	2,000	50,000	–	–	52,000	–	52,000
Share issuance costs	–	(5,581)	–	–	(5,581)	–	(5,581)
Balance at 30 June 2017 (Unaudited)	<u>8,000</u>	<u>44,419</u>	<u>(5,899)</u>	<u>3,914</u>	<u>50,434</u>	<u>539</u>	<u>50,973</u>
Balance at 1 April 2016 (Audited)	101	–	–	16,921	17,022	181	17,203
Reorganisation	(100)	–	100	–	–	–	–
Profit/(Loss) and total comprehensive income/(expense) for the period	–	–	–	(621)	(621)	52	(569)
Dividends (Note 6)	–	–	–	(16,000)	(16,000)	–	(16,000)
Balance at 30 June 2016 (Unaudited)	<u>1</u>	<u>–</u>	<u>100</u>	<u>300</u>	<u>401</u>	<u>233</u>	<u>634</u>

Note:

- i) Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the corporate reorganisation undertaken in the preparation for the listing of the Company's share (the "Shares") on GEM of the Stock Exchange (the "Reorganisation").

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 17 February 2016 as an exempted company with limited liability. The Shares have been listed on GEM of the Stock Exchange on 12 April 2017 (the “**Listing**”). Its parent and ultimate holding company is Chun Wah Limited (“**Chun Wah**”), a company incorporated in the Republic of Seychelles and owned as to 100% by Mr. Chan Lai Sin (“**Mr. Chan**”), the controlling shareholder, an executive Director and the chairman of the Company.

The address of its registered office in the Cayman Islands is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business 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 the provision of interior design and fit-out services in Hong Kong.

Prior to the Reorganisation, the group entities were under the control of Mr. Chan. Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 24 March 2017. Accordingly, for the purpose of preparing the unaudited condensed consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the three months ended 30 June 2017 presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Mr. Chan prior to and after the Reorganisation.

The unaudited condensed consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the three months ended 30 June 2016 in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The unaudited condensed consolidated statement of profit or loss and other comprehensive income and unaudited condensed consolidated statement of changes in equity for the period, which include the results and changes in equity of the companies now comprising the Group, have been prepared as if the current group structure had been in existence throughout the period.

This unaudited condensed consolidated financial statements are presented in thousands of Hong Kong dollars (“**HK\$000**”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

The preparation of unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

(a) The following new and amended standards have been adopted by the Group for the first time for the financial period beginning on or before 1 January 2017:

Annual Improvements Project (Amendments) – HKFRS 12	Annual Improvements 2014-2016 Cycle
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above HKFRSs did not have any significant financial impact on the unaudited condensed consolidated financial statements.

(b) The following new standards and revisions to standards have been issued, but are not effective for the financial year beginning 1 January 2017 and have not been early adopted by the Group:

		Effective for accounting year beginning on or after
Annual Improvements Project (Amendments) – HKFRS 1 and HKAS 28	Annual Improvements 2014-2016 Cycle	1 January 2018
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendments)	Clarifications to HKFRS 15	1 January 2018
HKAS 40 (Amendments)	Transfers of Investment Property	1 January 2018
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will apply the above HKFRSs when they become effective. The Group is in the process of making an assessment of the impact of the above HKFRSs.

3. REVENUE

Revenue recognised during the reporting period are as follows:

	Unaudited	
	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
Revenue		
Residential interior design and fit-out services	30,428	25,509
Commercial interior design and fit-out services	2,682	4,907
Others	36	397
	<u>33,146</u>	<u>30,813</u>

4. INCOME TAX EXPENSE

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit during the three months ended 30 June 2017.

The amount of income tax expense changed to the unaudited condensed consolidated statement of profit or loss and other comprehensive income represents:

	Unaudited	
	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
Current income tax – Hong Kong profits tax	<u>349</u>	<u>350</u>

5. EARNINGS/LOSSES PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

(a) Basic

Basic earnings/losses per share is calculated by dividing the profit/loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited	
	Three months ended 30 June	
	2017	2016
Profit/(Loss) for the period attributable to the owners of the Company (HK\$'000)	248	(621)
Weighted average number of ordinary shares in issue ('000)	775,824	600,000
Basic earnings/(losses) per share (HK cents per share)	<u>0.03</u>	<u>(0.10)</u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the period ended 30 June 2017 was derived from 600,000,000 ordinary shares in issue and the effect of the share offer by the Company.

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the period ended 30 June 2016 was derived from 600,000,000 ordinary shares in issue.

(b) Diluted

Diluted earnings/losses per share is the same as basic earnings/losses per share due to the absence of dilutive potential ordinary shares during the respective periods.

6. DIVIDENDS

	Unaudited	
	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
Dividends	–	16,000

During the three months ended 30 June 2016, a dividend of HK\$16,000,000 was declared by Smart Will Engineering Limited, a wholly-owned subsidiary of the Company, to their equity owners prior to the Reorganisation.

The board of Directors (the “**Board**”) does not recommend a payment of any dividend in respect of the three months ended 30 June 2017.

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 ranging from interior design provided by the Group's in-house design team, which provides the Group's customers with creative and innovative designs that synergise with the latest market and design trends. The Group relies on the high quality of fittings, furnishings and the implementation of the designs performed by its subcontractors to complete the projects.

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\$33.1 million and HK\$30.8 million, of which approximately HK\$30.4 million and HK\$25.5 million representing approximately 91.8% and 82.8% of the Group's total revenue were generated from residential interior design and fit-out services for the three months ended 30 June 2017 and 2016, respectively. Approximately HK\$2.7 million and HK\$4.9 million, representing approximately 8.1% and 15.9% of the Group's total revenue were generated from commercial interior design and fit-out services for the three months ended 30 June 2017 and 2016, respectively.

For the three months ended 30 June 2017, the Group recorded a net profit of approximately HK\$0.4 million as compared to net loss of approximately HK\$0.6 million for the same period in 2016. The Directors are of the view that the increase of the Group's net profit during the three months ended 30 June 2017 was mainly attributable to the non-recurring listing expenses during the three months ended 30 June 2017 was lower than that for the same period in 2016. In view of the steady revenue growth for the three months ended 30 June 2017 as compared to the same period in 2016 and the latest negotiations with existing and potential new customers, the Directors are of the view that there has been no fundamental deterioration in the commercial and operational viability of the Group's business.

OUTLOOK

The Shares were listed on GEM on 12 April 2017 by way of share offer. The Directors believe that Listing on GEM could enhance the Group's profile and recognition which will enhance the customers' confidence to the Group. In addition, the net proceeds from the share offer will provide additional resources to the Group to expand its business and improve its capital base.

Looking forward, the Group will continue to devote more resources towards the development of interior design and fit-out services in Hong Kong. The Group will focus on the following business strategies: (i) to strengthen the Group's market position in Hong Kong by improving its coverage; (ii) to promote the Group's brand, to improve brand recognition and to strengthen the Group's marketing efforts; and (iii) to enhance the Group's internal training and to recruit talents to support the Group's future growth. Details of the business strategies have been disclosed in the prospectus of the Company dated 31 March 2017 ("**Prospectus**").

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from 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. The Group's revenue increased by approximately 7.6% from approximately HK\$30.8 million for the three months ended 30 June 2016 to approximately HK\$33.1 million for the three months ended 30 June 2017. Such increase was primarily attributable to the increase in revenue from residential interior design and fit-out services.

Direct costs

The Group's direct costs consist primarily of (i) materials; (ii) subcontracting charges; (iii) staff costs; and (iv) warranty expenses. The Group's direct costs increased by approximately 5.2% from approximately HK\$22.1 million for the three months ended 30 June 2016 to approximately HK\$23.2 million for the three months ended 30 June 2017. Such increase was mainly due to the increase in material costs and staff costs, and it is in line with the increase in revenue for the same period.

Gross profit and gross profit margin

Gross profit represents revenue less direct costs. The Group's gross profit increased by approximately HK\$1.2 million, or approximately 13.5%, from approximately HK\$8.7 million for the three months ended 30 June 2016 to approximately HK\$9.9 million for the three months ended 30 June 2017. The Group's gross profit margin was approximately 29.9% for the three months ended 30 June 2017, representing an increase of approximately 1.5 percentage points as compared to approximately 28.4% for the three months ended 30 June 2016. The increase in gross profit is mainly due to the increase in number of residential interior design and fit-out projects, which contribute to a higher profit margin.

Administrative and other operating expenses

The Group's administrative and other operating expenses for the three months ended 30 June 2017 were approximately HK\$9.2 million, representing an increase of approximately 2.9% from approximately HK\$8.9 million for the three months ended 30 June 2016, primarily due to (i) the higher employee benefit expenses to retain high calibre of employees and to support the business growth; and (ii) the legal and professional fees incurred after the Listing for the services of the compliance adviser, legal adviser and share registrars, which was partially offset by the lower listing expenses for the three months ended 30 June 2017.

DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2017.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2017, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of Securities and Futures Ordinance (“SFO”) (including interests or short positions in which they are taken or deemed to have under such provisions), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.68 of GEM Listing Rules, are as follows:

Long positions in ordinary Shares and underlying Shares

Name	Capacity/nature of interest	Number of underlying Shares	Approximate percentage of shareholding
Mr. Chan (<i>Note 1</i>)	Interest of a controlled corporation	600,000,000	75%

Note:

1. Mr. Chan beneficially owns the entire issued share capital of Chun Wah. Therefore, Mr. Chan is deemed, or taken to be, interested in all the Shares held by Chun Wah for the purpose of the SFO. Mr. Chan is the sole director of Chun Wah.

Save as disclosed above, as at 30 June 2017, none of the Directors and chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors or chief executive of the Company, as at 30 June 2017, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in ordinary Shares and underlying Shares

Name	Capacity/nature of interest	Number of underlying Shares	Approximate percentage of shareholding
Chun Wah (<i>Note 1</i>)	Beneficial owner	600,000,000	75%
Ms. Wong Ting Nuen (<i>Note 2</i>)	Interest of Spouse	600,000,000	75%

Notes:

1. These 600,000,000 Shares are held by Chun Wah. Mr. Chan beneficially owns the entire issued share capital of Chun Wah. Therefore, Mr. Chan is deemed, or taken to be, interested in all the Shares held by Chun Wah for the purpose of the SFO. Mr. Chan is the sole director of Chun Wah.
2. Ms. Wong Ting Nuen (“**Ms. Wong**”) is the spouse of Mr. Chan. Under the SFO, Ms. Wong is deemed to be interested in the same number of Shares in which Mr. Chan is interested.

Save as disclosed above, as at 30 June 2017, there was no person or corporation, other than the Directors and chief executives of the Company whose interests are set out in the section “Other information – Directors’ and chief executives’ interests and short positions in Shares, underlying Shares and debentures of the Company” above, had any interest or a short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the three months ended 30 June 2017.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any businesses that competes or may compete with the business of the Group or has any other conflict of interests with the Group for the three months ended 30 June 2017.

Non-Competition Undertaking

In order to avoid any possible future competition between the Group and the controlling shareholder of the Company, Mr. Chan and Chun Wah (each a “**Covenantor**” and collectively the “**Covenantors**”) have entered into the Deed of Non-competition with the Company (for itself and for the benefit of each other member of the Group). Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and as trustee for its subsidiaries) that, during the period that the Deed of Non-competition remains effective, he/she/it shall not, and shall procure that his/her/its associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested or otherwise be involved, whether directly or indirectly, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group.

Each of the Covenantors also gave certain non-competition undertakings under the Deed of Non-Competition as set out in the paragraph headed “Relationship with our controlling shareholders – Non-competition undertakings” in the Prospectus.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in rules 5.48 to 5.68 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 from the date of listing, i.e. 12 April 2017, up to the date of this announcement.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally adopted pursuant to the written resolution of the sole Shareholder passed on 24 March 2017. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to it. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The Company has adopted a Share Option Scheme on 24 March 2017. This will be in accordance with Chapter 23 of the GEM Listing Rules and other relevant rules and regulations. Further details of the Share Option Scheme are set forth in the section headed “Statutory and General Information – Share option scheme” in Appendix V to the Prospectus.

For the three months ended 30 June 2017, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Group’s compliance adviser, Frontpage Capital Limited (the “**Compliance Adviser**”), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser or its directors, employees or associates had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CORPORATE GOVERNANCE PRACTICE

The Board considers good corporate governance a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices to comply with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 of the GEM Listing Rules. The Board is of the opinion that the Company has complied with the CG Code during the three months ended 30 June 2017 and up to the date of this announcement.

AUDIT COMMITTEE

The Audit Committee was established on 24 March 2017. The chairman of the Audit Committee is Mr. Kwan Ngai Kit, the independent non-executive Director, and other members include Ms. Lui Lai Chun and Mr. Wu Loong Cheong Paul, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group's unaudited condensed consolidated financial statements for the three months ended 30 June 2017 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2017 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

By order of the Board
Lai Group Holding Company Limited
Chan Lai Sin
Chairman and Executive Director

Hong Kong, 11 August 2017

As at the date of this announcement, the Board comprises Mr. Chan Lai Sin, Mr. Hung Lap Ka and Ms. So Hiu Bik as executive Directors; Mr. Kwan Ngai Kit, Ms. Lui Lai Chun and Mr. Wu Loong Cheong Paul as independent non-executive Directors.