LISI GROUP (HOLDINGS) LIMITED
利時集團（控股）有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 526)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Lisi Group (Holdings) Limited (the "Company", together with its subsidiaries, the "Group") is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2026 (the "Year") together with the comparative figures of the previous corresponding year are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026
(Expressed in Renminbi ("RMB"))

	Note	**2026**	2025
	Note	***RMB'000***	*RMB'000*
Revenue	4	**2,178,135**	2,684,824
Cost of sales		**(1,727,585)**	(2,081,440)
Gross profit	4(b)	**450,550**	603,384
Other net income	5	**23,435**	28,575
Selling and distribution expenses		**(84,481)**	(102,020)
Administrative expenses		**(108,847)**	(135,632)
Finance costs	6(a)	**(25,059)**	(29,699)
Impairment losses on financial assets and contract assets		**(90,852)**	(117,515)
Impairment losses on property, plant and equipment		**–**	(10,990)
Revaluation loss arising from transfer of property, plant and equipment to investment properties		**(6,269)**	–
Net valuation loss on investment properties		**(6,233)**	(210,251)
Profit before taxation	6	**152,244**	25,852
Income tax (expense) credit	7	**(29,558)**	9,838
Profit for the year		**122,686**	35,690
Earnings per share attributable to equity shareholders of the Company	8		
– Basic and diluted (RMB cent)		**1.39**	0.43

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026
(Expressed in RMB)

	2026	2025
	RMB'000	*RMB'000*
Profit for the year	**122,686**	35,690
Other comprehensive income (loss) for the year (after tax):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency	**5,347**	(3,430)
Other comprehensive income (loss) for the year	**5,347**	(3,430)
Total comprehensive income for the year attributable to equity shareholders of the Company	**128,033**	32,260

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026
(Expressed in RMB)

	Note	**2026** *RMB'000*	2025 *RMB'000*
Non-current assets			
Property, plant and equipment		**266,746**	302,538
Investment properties	9	**276,980**	243,619
Financial assets at fair value through profit or loss ("FVPL")		**771,531**	783,221
Deferred tax assets		**74,426**	53,958
		1,389,683	1,383,336
Current assets			
Inventories		**217,302**	330,553
Trade and other receivables, contract assets and prepayments	10	**1,136,807**	1,257,264
Restricted cash		**197,952**	250,984
Cash and cash equivalents		**1,229,445**	976,157
		2,781,506	2,814,958
Current liabilities			
Trade and other payables	11	**642,723**	763,910
Bank and other loans	12	**725,776**	795,202
Lease liabilities		**17,401**	4,637
Income tax payable		**54,381**	57,207
		1,440,281	1,620,956
Net current assets		**1,341,225**	1,194,002
Total assets less current liabilities		**2,730,908**	2,577,338

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 31 March 2026
(Expressed in RMB)

	2026	2025
	RMB'000	*RMB'000*
Non-current liabilities		
Lease liabilities	**34,684**	6,929
Deferred tax liabilities	**86,003**	88,221
	120,687	95,150
NET ASSETS	**2,610,221**	2,482,188
CAPITAL AND RESERVES		
Share capital	**77,212**	77,212
Reserves	**2,533,009**	2,404,976
TOTAL EQUITY	**2,610,221**	2,482,188

NOTES

1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The measurement basis used in the preparation of the financial statements is the historical cost basis except for financial assets at FVPL and investment properties which are stated at their fair values.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied, for the first time, the following new/revised HKFRS Accounting Standards that are relevant to the Group:

Amendments to HKAS 21: *Lack of Exchangeability*

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue by major products or service lines is as follows:

	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products of service lines		
– sales of goods	**1,908,710**	2,388,171
– rendering of services	**210,940**	230,977
	2,119,650	2,619,148
Revenue from other sources		
– investment income	**20,960**	26,828
– rental income from operating leases	**37,525**	38,848
	58,485	65,676
	2,178,135	2,684,824

Disaggregation of revenue from contracts with customers by timing of revenue recognition is disclosed as below:

	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by timing of revenue recognition		
– Point in time	**1,915,957**	2,395,564
– Over time	**203,693**	223,584
	2,119,650	2,619,148

The directors of the Company consider that the customer base is diversified and includes one customer (2025: two customers) of manufacturing and trading segment and two customers (2025: one customer) of wholesale segment with whom transactions have exceeded 10% of the Group's revenue for the Year. Revenue from those customers amounted to RMB432.0 million, RMB346.2 million and RMB278.0 million during the Year, respectively (2025: RMB344.3 million, RMB481.9 million and RMB659.5 million).

(ii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date*

As at 31 March 2026, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts with customers of wholesale of heating, ventilation and air-conditioning systems ("HVAC") is RMB448 million (2025: RMB832 million). The Group will recognise the revenue in future when or as the customers accept the goods and the services are rendered, which is expected to occur over the next 36 months. The Group has applied practical expedient in paragraph 121 of HKFRS 15 to its contracts for other businesses such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for other business that had an original expected duration of one year or less.

(iii) Total future minimum lease payments receivable by the Group

Total future minimum lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2026	2025
	RMB'000	*RMB'000*
Within 1 year	**36,918**	36,283
More than 1 year but within 2 years	**31,976**	30,480
More than 2 years but within 3 years	**22,209**	28,021
More than 3 years but within 4 years	**3,279**	19,911
More than 4 years but within 5 years	**2,207**	1,338
After 5 years	**1,533**	1,042
	98,122	117,075

(b) Segment reporting

The Group manages its business by lines of business. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The Group has presented the following four segments:

- Manufacturing and trading: this segment manufactures and trades plastic and metallic household products.
- Retail: this segment manages the supermarket operations and property rental services.
- Wholesale: this segment carries out the wholesale of wine and electrical appliances business, and provides central air-conditioner installation services.
- Investments holding: this segment manages the investments in debt and equity securities.

No operating segments have been aggregated to form the above reportable segments.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and net income are allocated to the reportable segments with reference to revenue and net income generated by those segments and the expenses incurred by those segments. Inter-segment sales are priced with reference to prices charged to external parties for similar products or services. Other than inter-segment sales, assistance provided by one segment to another is not measured.

The measure used for reporting segment result is gross profit. The Group's operating expenses such as selling and distribution expenses and administrative expenses, and assets and liabilities are not regularly provided to the Group's senior executive management based on segment. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income not derived from investment in debt or equity securities, interest expenses and reconciliation of reportable segment profit to consolidated profit before tax is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2026 and 2025 is set out below.

	2026				
	Manufacturing and trading	**Retail**	**Wholesale**	**Investments holding**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Revenue from external customers	**963,146**	**231,642**	**962,387**	**20,960**	**2,178,135**
Inter-segment revenue	**–**	**–**	**37,161**	**–**	**37,161**
Reportable segment revenue	**963,146**	**231,642**	**999,548**	**20,960**	**2,215,296**
Reportable segment gross profit	**242,604**	**61,510**	**125,476**	**20,960**	**450,550**

	2025				
	Manufacturing and trading	Retail	Wholesale	Investments holding	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	1,405,773	231,391	1,020,832	26,828	2,684,824
Inter-segment revenue	–	–	32,217	–	32,217
Reportable segment revenue	1,405,773	231,391	1,053,049	26,828	2,717,041
Reportable segment gross profit	337,160	73,179	166,217	26,828	603,384

(ii) Reconciliations of reportable segment revenue

	2026	2025
	RMB'000	*RMB'000*
Reportable segment revenue	**2,215,296**	2,717,041
Elimination of inter-segment revenue	**(37,161)**	(32,217)
Consolidated revenue	**2,178,135**	2,684,824

(iii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers, which is based on the location at which the services were rendered or the goods were delivered or the location of customers.

	2026	2025
	RMB'000	*RMB'000*
Chinese Mainland and Hong Kong (place of domicile)	**1,280,837**	1,336,815
The United States and Europe	**815,597**	1,263,226
Others	**81,701**	84,783
	2,178,135	2,684,824

The analysis above includes property rental income from external customers and investment income in Chinese Mainland of RMB37,525,000 and RMB20,960,000, respectively, for the Year (2025: RMB38,848,000 and RMB26,828,000).

All of the Group's non-current assets (excluding deferred tax assets) are located in Chinese Mainland and Hong Kong as at 31 March 2026 and 2025.

5 OTHER NET INCOME

	2026	2025
	RMB'000	*RMB'000*
Government grants	**8,461**	19,185
Interest income on cash at bank	**16,520**	13,960
Net gain from sale of scrap materials	**345**	661
Net loss on disposal of property, plant and equipment	**(2,145)**	(5,831)
Others	**254**	600
	23,435	28,575

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging (crediting):

(a) Finance costs

	2026	2025
	RMB'000	*RMB'000*
Finance charges for bank and other borrowings	**23,349**	28,875
Interest on lease liabilities	**1,710**	824
	25,059	29,699

(b) Staff costs

	2026	2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**133,342**	152,003
Contributions to defined contribution retirement plans	**8,159**	8,359
	141,501	160,362

The employees of the subsidiaries of the Group established in the Chinese Mainland participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at 16% (2025: 15%) of the applicable local salaries level. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the Chinese Mainland, from the above-mentioned retirement schemes at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant salaries, subject to a cap of monthly relevant salaries of Hong Kong Dollars ("HK$") 30,000.

Contributions to these retirement plans vest immediately. There are no forfeited contributions that may be used by the Group to reduce the existing level of distribution. The Group has no further obligation for payment of other retirement benefits beyond the above annual contributions.

(c) Other items

	2026	2025
	RMB'000	*RMB'000*
Cost of inventories[#]	**1,533,881**	1,867,526
Auditor's remuneration		
– audit services	**1,500**	1,500
– non-audit services	**100**	290
Depreciation charge		
– owned property, plant and equipment	**78,148**	91,929
– right-of-use assets	**16,171**	7,739
Research and development costs (included in "cost of sales" and "administrative expenses", as appropriate)	**34,670**	56,988
Rental income from investment properties less direct operating expenses of RMB3,077,000 (2025: RMB2,970,000)	**(28,513)**	(28,321)

[#] Cost of inventories includes RMB132,280,000 (2025: RMB148,976,000) for the Year, relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Income tax in the consolidated statement of profit or loss represents:

	2026	2025
	RMB'000	*RMB'000*
Current taxation:		
– Provision for the year	**48,462**	72,319
– Under-provision in respect of prior years	**3,782**	735
	52,244	73,054
Deferred taxation:		
– Origination and reversal of temporary differences	**(22,686)**	(82,892)
	29,558	(9,838)

The Hong Kong Profits Tax rate for the Year is 16.5% (2025: 16.5%). No provision for Hong Kong Profits Tax has been made as the Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profits Tax for the Year (2025: RMB Nil).

The Group established in the Chinese Mainland are subject to PRC Corporate Income Tax rate of 25% (2025: 25%). One of the Group's subsidiaries in the Chinese Mainland enjoyed a preferential PRC Corporate Income Tax rate of 15% (2025: 15%) applicable for enterprise with advanced and new technologies. In addition, this subsidiary is entitled to an additional 100% tax deduction to its assessable profits (2025: 100%) in respect of the qualified research and development costs incurred in the PRC.

Subsidiaries incorporated in other jurisdictions are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the Year is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average of 8,844,020,000 ordinary shares (2025: 8,390,322,000 ordinary shares) in issue during the year.

	2026	2025
	RMB'000	*RMB'000*
Profit for the year attributable to equity shareholders of the Company	**122,686**	35,690

(b) Diluted earnings per share

There were no potential dilutive ordinary shares during the years ended 31 March 2026 and 2025. Hence, diluted earnings per share is the same as basic earnings per share.

9 INVESTMENT PROPERTIES

	2026	2025
	RMB'000	*RMB'000*
Valuation:		
At 1 April	**243,619**	453,870
Fair value adjustments included in the consolidated statement of profit or loss	**(6,233)**	(210,251)
Transfer from property, plant and equipment	**39,594**	–
At 31 March	**276,980**	243,619

Certain investment properties were pledged against the loans of the Group.

Notes:

(i) Fair value hierarchy

At the end of the reporting period, the Group's investment properties are measured at fair value on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

The fair value measurement of the Group's investment properties falls into level 3 of the fair value hierarchy described above.

During the Year, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2025: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31 March 2026. The valuations were carried out by a qualified independent surveyor, Vincorn Consulting and Appraisal Limited, who has among their staff Members of the Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued. Management of the Group has discussed with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

(ii) Valuation techniques and inputs used in Level 3 fair value measurements

The investment properties located in Ningbo, PRC, are shopping arcade, retail shops and warehouse, the fair value of which is determined using income capitalisation approach. The significant unobservable input used in the fair value measurement is yield rate, ranged from 8.75% to 9.5% for the Year (2025: 8.75% to 9.5%). The fair value measurement is negatively correlated to the yield rate.

10 TRADE AND OTHER RECEIVABLES, CONTRACT ASSETS AND PREPAYMENTS

(a) Trade and other receivables and contract assets

	2026	2025
	RMB'000	*RMB'000*
Trade receivables from:		
– Third parties	**275,095**	231,423
– A company under the control of a shareholder of the Company *(Note (i))*	**916,861**	880,455
Bills receivable from a company under the control of a shareholder of the Company *(Note (i))*	**2,432**	–
	1,194,388	1,111,878
Less: loss allowance	**(245,846)**	(140,742)
	948,542	971,136
Amounts due from companies under the control of a shareholder of the Company *(Note (ii))*	**204**	327
Other receivables	**17,623**	22,421
Less: loss allowance	**(1,533)**	(1,442)
	16,090	20,979
Financial assets measured at amortised cost	**964,836**	992,442
Deposits:		
– Deposits paid for a potential acquisition *(Note (vi))*	**47,475**	50,252
– Deposits for operating leases expenses paid to third parties	**9,038**	7,010
– Others	**3,046**	10,926
	59,559	68,188
Trade and other receivables *(Note (iii))*	**1,024,395**	1,060,630
Contract assets *(Notes (iv) and (v))*	**159,131**	195,553
Less: loss allowance	**(60,099)**	(74,442)
	99,032	121,111
	1,123,427	1,181,741

Notes:

(i) The balance mainly related to transactions under an export agency agreement entered into between the Group and a company under the control of a shareholder of the Company.

(ii) The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(iii) All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

(iv) Contract assets are mainly arising from performance under the sale and installation of HVAC. The Group's HVAC business requires stage payments. A 20% to 30% of the consideration of goods will be billed after the completion of the installation inspection. This amount is included in contract assets until the completion of installation inspection as the Group's entitlement to this final payment is conditional upon the Group's work satisfactorily passing inspection. The contract assets are expected to be fully recovered in three years.

(v) All of the amounts are expected to be billed within one year from the end of the reporting period, except for the amounts of RMB5.2 million at 31 March 2026 (2025: RMB1.3 million) related to retentions receivable (net of loss allowance) which are expected to be recovered over one year.

(vi) On 22 October 2024, (i) Manukura (CMCI) Limited ("Manukura"), an independent third party, as vendor, and (ii) More Concept Limited, a wholly-owned subsidiary of the Company, as purchaser, and (iii) the Company and Mr Li Lixin, the shareholder and then executive director of the Company, as guarantors, entered into a letter of intent (the "LOI") in respect of the exclusive negotiation of a potential transaction involving the acquisition by the Group of the entire issued share capital of Emerald Holding (Luxembourg) S.à.r.l, a company incorporated in Luxembourg with limited liability, which is wholly-owned by Manukura (the "Potential Acquisition"). Pursuant to the LOI, the Company agreed to pay a deposit in the sum of United States dollar ("US$") 6,900,000 (equivalent to approximately RMB50,252,000) as refundable deposit (the "Deposit") to Manukura. Such Deposit was paid by the Group to Manukura on 25 October 2024. Pursuant to a security deed dated 25 October 2024, Manukura as mortgagor agreed to mortgage the 800,000,000 subscription shares held by Manukura in favour of the Group as security for the refund of the Deposit. Since there has been no progress on the Potential Acquisition and in order to safeguard the interests of the Group, the Directors of Company have resolved to formally terminate the Potential Acquisition and requested for the return of the Deposit by sending a notification letter on 17 June 2025. Details are set out in the Company's announcements dated 22 October 2024, 3 April 2025 and 16 June 2025.

    On 24 April 2026, the Group enforced the security deed to transfer the 800,000,000 subscription shares to the Group. Up to the date of this announcement, the Group is still in the process of taking legal actions against Manukura in order to support the transfer of the 800,000,000 subscription shares.

Ageing analysis

Included in trade and other receivables are trade receivables (net of loss allowance) with the following ageing analysis (based on earlier of the invoice date and revenue recognition) as of the end of the reporting period:

	2026	2025
	RMB'000	*RMB'000*
Within 1 month	**105,521**	116,683
More than 1 month but less than 3 months	**152,081**	228,983
Over 3 months	**690,940**	625,470
	948,542	971,136

Trade debtors are due within 0 – 180 days from the date of billing.

(b) Prepayments

	2026	2025
	RMB'000	*RMB'000*
Prepayments:		
– Prepayments to suppliers	**12,062**	74,444
– Others	**1,318**	1,079
	13,380	75,523

11 TRADE AND OTHER PAYABLES

	2026	2025
	RMB'000	*RMB'000*
Trade payables to:		
– Third parties	**229,312**	245,147
– A company under the control of shareholders of the Company	**73,705**	74,674
	303,017	319,821
Bills payable	**190,830**	251,523
	493,847	571,344
Accrued charges and other payables:		
– Accrued expenses	**14,368**	23,078
– Payables for staff related costs	**62,903**	68,762
– Deposits from customers and suppliers		
– Third parties	**8,351**	8,597
– Payables for miscellaneous taxes	**7,490**	3,326
– Others	**11,997**	4,185
	105,109	107,948
	598,956	679,292
Contract liabilities	**43,767**	84,618
	642,723	763,910

All of the trade and other payables are expected to be settled or recognised as revenue within one year or are repayable on demand.

Ageing analysis

Included in trade and other payables are trade and bills payable with the following ageing analysis (based on the invoice date) as of the end of the reporting period:

	2026	2025
	RMB'000	*RMB'000*
Within 1 month	**77,429**	122,661
Over 1 month but within 3 months	**106,859**	120,519
Over 3 months but within 6 months	**123,329**	189,590
Over 6 months	**186,230**	138,574
	493,847	571,344

The analysis of movements in contract liabilities

	2026	2025
	RMB'000	*RMB'000*
Balance at 1 April	**84,618**	71,832
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	**(68,704)**	(57,723)
Increase in contract liabilities as a result of billing in advance	**27,853**	70,509
Balance at 31 March	**43,767**	84,618

12 BANK AND OTHER LOANS

The Group's bank and other loans are analysed as follows:

	2026	2025
	RMB'000	*RMB'000*
Bank loans:		
– Unsecured and guaranteed *(Note (i))*	**29,800**	29,800
– Secured and unguaranteed *(Note (ii))*	**567,769**	585,770
– Secured and guaranteed *(Notes (ii) and (iii))*	**90,000**	140,960
	687,569	756,530
Loans from a company under the control of shareholders of the Company:		
– Unsecured and unguaranteed *(Note (iv))*	**38,207**	38,672
	725,776	795,202

Notes:

(i) Bank loan of RMB29.8 million as at 31 March 2026 (2025: RMB29.8 million) was guaranteed by a former director of the Company and a company under the control of a former director of the Company and is unsecured with interest rate bearing at a 1-year loan prime rate minus 0.3% per annum (2025: 1-year loan prime rate minus 0.25% per annum).

(ii) Certain bank loans are secured by the leasehold land and buildings and deposit of the Group with interest rates bearing ranging from 0% to 4.1% (2025: 0% to 4.9%) per annum.

(iii) Bank loan of RMB90 million as at 31 March 2026 (2025: RMB90 million) was guaranteed by a former director of the Company and a company under the control of a former director of the Company with a fixed interest rate of 2.8% (2025: 4.9%) per annum.

(iv) At 31 March 2026, the loans from a company under the control of shareholders of the Company are bearing interest rates ranging from 3% to 7% (2025: 3% to 7% per annum) and are repayable by May 2027 (2025: by March 2026).

(a) The Group's bank and other loans are repayable as follows:

	2026	2025
	RMB'000	*RMB'000*
Within 1 year or on demand	**725,776**	795,202

All of the bank and other loans are carried at amortised cost.

(b) Certain of the Group's loans are secured by the Group's leasehold land and buildings, investment properties and deposits of the Group. The aggregate carrying values of the pledged leasehold land and buildings and investment properties are analysed as follows.

	2026	2025
	RMB'000	*RMB'000*
Leasehold land and buildings	**92,207**	95,692
Investment properties	**267,380**	167,119
	359,587	262,811

(c) At 31 March 2026, the Group's banking facilities amounting to RMB603,000,000 (2025: RMB633,000,000) were utilised to the extent of RMB544,365,000 (2025: RMB553,118,000).

13 DIVIDENDS

The Directors of the Company did not recommend the payment of a final dividend for the Year (2025: RMB Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

General Information

The Group consists of four segments: (i) manufacturing and trading business; (ii) retail business; (iii) wholesale business; and (iv) investments holding business. These segments collectively recorded revenue of approximately RMB2,178.1 million for the Year, representing a decrease of 18.9% when compared to the revenue of approximately RMB2,684.8 million reported in the last year. The net profit for the Year amounted to approximately RMB122.7 million when compared to the net profit of approximately RMB35.7 million reported in the last year.

The Group's basic and diluted earnings per share for the Year were both RMB1.39 cents, while the Group's basic and diluted earnings per share for the last year were both RMB0.43 cents.

Net Assets, Liquidity and Financial Resources

As at 31 March 2026, the Group's net assets increased to approximately RMB2,610.2 million (31 March 2025: RMB2,482.2 million), resulting in a net asset value per share of RMB29.5 cents (31 March 2025: RMB28.1 cents). The increase in net assets were primarily attributed to the profit generated for the Year.

As at 31 March 2026, the Group's total assets amounted to approximately RMB4,171.2 million (31 March 2025: RMB4,198.3 million), including cash and bank deposits of approximately RMB1,229.4 million (31 March 2025: RMB976.2 million). Bank and other loans amounted to approximately RMB725.8 million (31 March 2025: RMB795.2 million). The Group's debt-to-equity ratio (bank loans and other borrowings over total equity) decreased from 32.0% as at 31 March 2025 to 27.8% as at 31 March 2026, mainly due to the decrease of bank loans of approximately RMB68.9 million during the Year.

Most of the Group's business transactions were conducted in RMB and US$. As at 31 March 2026, the Group's major borrowings included bank loans, which had an outstanding balance of approximately RMB687.6 million (31 March 2025: RMB756.5 million). The loans from shareholders were approximately RMB38.2 million (31 March 2025: RMB38.7 million). All of the Group's borrowings were denominated in RMB, HK$, and US$.

Pledge of Assets

As at 31 March 2026, the Group's leasehold land and buildings and investment properties, with a carrying amount of approximately RMB359.6 million (31 March 2025: RMB262.8 million), were pledged as collateral to secure the Group's bank loans and facilities. Bank deposits amounting to approximately RMB198.0 million (31 March 2025: RMB251.0 million) were pledged as collateral for the Group's bank loans and bills and security performance.

Capital Expenditure and Commitments

The Group will continue to allocate a reasonable amount of resources towards enhancing operational efficiency and meeting the needs of its customers and the demands of the market. To achieve these goals, the Group plans to optimize the utilization of its assets and improve its capital assets. Funding for these initiatives primarily come from trading revenue generated from operations and bank borrowings. The Group will also explore alternative debt and equity financing options to support its growth and expansion plans.

As at 31 March 2026, the Group had total capital commitments in respect of acquisition of plant and machinery of RMB0.1 million (31 March 2025: RMB0.3 million).

Investment Policy

The Group has substantial financial resources, which are intended to be retained for future possible acquisition whenever such opportunities arise. Nevertheless, while the Group is still endeavouring to identify suitable acquisition opportunities, those financial resources are inevitably left idle. The Group considers to be appropriate to fully utilize those idle funds to increase the Group's income.

In deciding whether to purchase a financial asset, such as wealth management products, the Group will consider, among other things, the following:

(i) the Group treats protection of its capital as of utmost importance and does not engage in any high-risk investment nor leveraged investment;

(ii) the financial assets only comprise of national debts, financial debts, central bank bills, bank wealth management, deposits as well as state-owned enterprise bonds and trust products with high ratings, which generates relatively stable dividend income;

(iii) the background and financial condition of the financial assets;

(iv) the historical return of the financial assets;

(v) the rating of the financial assets;

(vi) the level of risk and expected return of the financial assets when compared with similar financial products available in the market;

(vii) the expected maturity dates of the financial assets; and

(viii) the Group's cash management and working capital level against the maturity dates of the financial assets.

All investments in financial assets shall be made in compliance with the requirements and restrictions under the applicable laws, regulations and rules (including the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

It is submitted that, by utilizing the idle funds in a proper and disciplined manner, it can generate extra income for the Group, which in turn optimise shareholder returns and enhance shareholder value accordingly.

The Company has adopted a dividend policy, pursuant to which the Company may declare and distribute dividends to the shareholders, provided that the Group is profitable and having retained adequate reserves for future growth. In proposing any dividend payout, the Board shall take into account various factors, including (i) the Group's current and future operations; (ii) the Group's capital requirements; (iii) the Group's liquidity position; (iv) the Group's debt to equity ratios and the debt level; (v) retained earnings and distributable reserves of the Company and each of the other members of the Group; (vi) statutory and regulatory restrictions; (vii) other internal or external factors that may have an impact on the business or financial performance and positions of the Company; and (viii) other factors that the Board deems relevant.

The Group will only use its idle funds to invest in financial assets. The Group does not use any cash generated in the ordinary course of business to invest in financial assets. Nevertheless, in the event that the Group identifies any good acquisition opportunities (such as acquisition of another business), it may consider realizing some of the financial assets and use the same for such acquisition. Up to the date of this announcement, the Group has not identified any suitable acquisition target.

Significant Investments

As at 31 March 2026, the Group held investments primarily in (i) investment properties of approximately RMB277.0 million (31 March 2025: RMB243.6 million), which represented nine properties (31 March 2025: eight properties) situated in Ningbo and rented out under operating leases. The investment properties in aggregate constituted approximately 6.6% of the Group's total assets as at 31 March 2026 (31 March 2025: 5.8%), and (ii) financial assets at fair value through profit or loss of approximately RMB771.5 million (31 March 2025: RMB783.2 million), which represented the financial products offered by National Trust Company Limited ("National Trust"). As at 31 March 2026, the fair value of the financial products in aggregate constituted approximately 18.5% of the Group's total assets (31 March 2025: 18.7%). The Group did not hold any other significant investment with a value of 5% or more of the Group's total assets.

Investment properties

The Group's investment properties in Ningbo, PRC, comprising shopping arcade, retail shops, and warehouse, are rented out under operating leases to generate long-term rental yields. These investment properties are measured at fair value on a recurring basis. During the Year, the Group recorded a valuation loss of approximately RMB6.2 million (2025: RMB210.3 million) on its investment properties due to the signs of stabilisation for the Year but still affected by the high vacant rate and continued downward trend in property market environment. As at 31 March 2026, the investment properties were valued at approximately RMB277.0 million (31 March 2025: RMB243.6 million), constituting 6.6% (31 March 2025: 5.8%) of the Group's total assets. As at the date of this announcement, the Group plans to continue holding these investment properties for long-term rental yields.

Financial assets

National Trust is a licensed financial institution in the PRC and principally engaged in the asset management and provision of financial products in the PRC.

國民信托申鑫85號單一資金信托 (National Trust Shenxin No.85 Single Fund Trust*) is a standalone trust (單一類信託) and as at 31 March 2026, its underlying assets include (i) Deposit at the amount of RMB9.84 million; (ii) 寧銀理財寧欣日日薪固定收益類日開理財55號產品 (Bank of Ningbo Ningxin Fixed Income Open-end Wealth Management Product No.55*) at the amount of RMB80 million with an expected yield of 2.26%; (iii) 寧銀理財寧欣日日薪固定收益類日開理財53號產品 (Bank of Ningbo Ningxin Fixed Income Open-end Wealth Management Product No.53*) at the amount of RMB61 million with an expected yield of 3.21%; (iv) 浦銀理財天添鑫111號理財 (Shanghai Pudong Development Bank Wealth Management – Tian Tian Xin No. 111*) at the amount of RMB99 million with an expected yield of 3.91%; (v) 嵊州市經濟開發區投資有限公司 (Shengzhou Economic Development Zone Investment Co., Ltd.*), a company established in the PRC in 2001 with its registered office located in Shengzhou City, Zhejiang Province, PRC and principally engages in real estate and development zone infrastructure investment, property management, parking services and other businesses, at the amount of RMB200 million with an expected yield of 4.8%; and (vi) 成都經開國投集團有限公司 (Chengdu ETDZ State-owned Investment Group Co., Ltd.*), a company established in the PRC in 2005 with its registered office located in Chengdu City, Sichuan Province, PRC and principally engages in investment and asset management, at the amount of RMB350 million with an expected yield of 4.95%.

Purchase of the financial products has been one of the means by the Group's management to increase the Group's income. The Group utilized certain idle funds to subscribe for certain financial products from National Trust. The Group's investment policies for the investments in financial products are formulated with reference to rating of the financial products. Given that (i) the National Trust financial products are regular return products with historical annual rate of return ranging from 4.55% to 4.93%; and (ii) the historical rate of return the financial products offered by National Trust and subscribed by 寧波新江廈連鎖超市有限公司 (Ningbo New JoySun Supermarket Chain Limited*) and 寧波新江廈股份有限公司 (Ningbo New JoySun Corp.*) separately between April 2020 and September 2020 has been stable, the Board considers the risk of the investment in the National Trust's financial products is relatively low.

* *English name is for identification purpose only.*

In respect of the underlying assets of the financial products, the Group is restricted by the Company's investment policies to purchase those financial products investing only in national debts, financial debts, central bank bills, bank wealth management, deposits as well as state-owned enterprise bonds and trust products with higher ratings. Furthermore, the mandate of the National Trust's financial products is to invest in treasury bonds, financial bonds, central bank bills, bank deposits, cash, bank wealth management products, issuing trust loans, and other money market instruments that comply with laws and regulations in accordance with the management instruction of the settlor and beneficiary.

On 30 September 2024, the Group entered into agreement to subscript the respective terms of the National Trust's financial products at the maximum subscription amount of RMB800,000,000 for a term of 36 months commenced from the respective commencement dates. For details of the subscription of the financial products, please refer to the announcements of the Company dated 30 September 2024 and 23 October 2024 and the circular of the Company dated 24 October 2024.

Exposure to Foreign-Exchange Fluctuations

The Company utilizes the RMB as its functional currency, and the Group's monetary assets and liabilities are primarily denominated in RMB, HKD, and US$. The Group acknowledges that its exposure to foreign currency fluctuations is closely linked to the performance of the RMB exchange rate. However, as the RMB has not yet achieved international hard currency status, there are currently no effective methods available to hedge this risk for the Group's size and cash flow pattern.

Notwithstanding, the Chinese Government is promoting the internationalization of the RMB and moving towards a free-floating currency in the future. Thus, the Group anticipates that more hedging tools will become available in the currency market. The Group will closely monitor the development of the Chinese Government's currency policies and the availability of appropriate hedging tools that are consistent with our business.

Segment Information

Manufacturing and trading business and wholesale business became the important business segments of the Group in the Year with each contributing 44.2% (2025: 52.4% and 38.0%) of total revenue. Retail business and investments holding business had 10.6% and 1.0% (2025: 8.6% and 1.0%) of the remaining.

In terms of geographical segmentation, the Group's main markets consist of the PRC, the United States and Europe which contributed 96.2% (2025: 96.8%) of the Group's total revenue during the Year. Among these markets, with the PRC contributed 58.8% (2025: 49.8%) of the Group's revenue while the United States and Europe contributed 37.4% (2025: 47.0%). The remaining 3.8% (2025: 3.2%) was generated from other markets.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 March 2026.

Employee Information

As of 31 March 2026, the Group employed a workforce of 899 (male: 429; female: 470) individuals (31 March 2025: 1,107 (male: 526; female: 581) individuals) across its chain stores, offices, and factories situated in Hong Kong and the PRC. The Group provided its employees with competitive remuneration packages that were aligned with their individual responsibilities, qualifications, experience, and performance. In addition to offering competitive compensation, the Group provided its employees with opportunities for professional development, including management skills workshops, practical seminars for knowledge updates, on-the-job training, and safety training programs. The share option scheme of the Company (the "Scheme") has been expired on 30 August 2022, no share option had been granted under the Scheme since its adoption on 31 August 2012 and there were no other options outstanding during the Year.

Review of Operations

During the Year, the Group recorded a net profit of approximately RMB122.7 million, compared to a net profit of approximately RMB35.7 million in the last year. The increase in profit were mainly attributed to the following reduction: (i) the net valuation loss on investment properties of approximately RMB6.2 million for the Year compared to approximately RMB210.3 million for the last year; and (ii) the impairment losses on financial assets and contract assets of approximately RMB90.9 million for the Year compared to approximately RMB117.5 million for the last year.

Revenue

During the Year, the Group recorded revenue of approximately RMB2,178.1 million, representing a decrease of 18.9% when compared with the revenue of approximately RMB2,684.8 million reported for the last year.

Manufacturing and Trading Business

During the Year, the manufacturing and trading business segment generated revenue of approximately RMB963.1 million, representing a decrease of 31.5% compared to the last year's revenue of approximately RMB1,405.8 million. The US tariffs have significantly affected the manufacturing and trading business by increasing export costs, making products less price-competitive in foreign markets. Overall, the combined effect of cost pressure, reduced competitiveness, and supply-chain hesitations have caused a noticeable decline in sales.

Retail Business

The Group's retail business revenue for the Year increased by 0.1% to approximately RMB231.6 million, compared to approximately RMB231.4 million in the last year. Our retail team's efforts brought greater stability for the Year, but the impact of online shopping and e-commerce on the Group's retail business continued unabated.

Wholesale Business

The Group's wholesale business revenue decreased by 5.7% to approximately RMB962.4 million, compared to approximately RMB1,020.8 million in the last year. The wholesale business in wines and beverages recorded an increase in revenue due to the clearance of aged stock in response to the downturn in the liquor market. This weak market environment also caused the drop in gross profit. While the electrical appliances segment, particularly heating, ventilation, and air conditioning (HVAC), recorded a decrease in revenue due to the continued sluggish real estate market.

Investments Holding Business

The Group's investment income decreased by 21.6% to approximately RMB21.0 million during the Year, compared to approximately RMB26.8 million in the last year.

PROSPECTS

Strengthening our competence and competitiveness in the Manufacturing and Trading Business

Notwithstanding the rising uncertainty and risk caused by bilateral tariff issues, inflation and ongoing regional conflicts, the Group maintain cautious optimism in its manufacturing and trading business for profitability and growth. The business environment continues to be hampered by significant headwinds, including rising geopolitical tensions, a high interest rate environment, and ongoing inflationary pressures on raw materials, delivery, and labor. To respond to changing conditions and stay ahead of competitors, the Group will actively diversify overseas markets, optimize supply chains to reduce tariff exposure, and improve its domestic marketing strategy. The Group will also continue to implement cost control measures, including integrating and realigning management and sales resources, as well as making structural changes in procurement and manufacturing planning.

The Group goes to continue its commitment to developing and introducing innovative products that cater to the evolving needs of our diverse customer base. By expanding into both existing and emerging markets, we aim to achieve ongoing growth and enhance our overall performance. Our focus on higher-margin products and unlocking potential customers will further elevate our business and financial success.

Optimization of retail business and maintaining steady growth of wholesale business

Customer consumption patterns evolve and online shopping becomes increasingly prevalent which is unlikely to change in the near future. Retail businesses must adapt to stay relevant. The group dynamically adjusted its promotion strategy, prudently implementing orderly discounts to capitalise on sales opportunities. By using the digital solutions for the fresh food supply chain, the system manages the entire supply chain process from procurement and warehouse management to intelligent weighing during sorting, route optimization for delivery, and financial reconciliation.

The national real estate market is still under pressure. Market confidence in real estate companies remains fragile despite government support, and the recovery of confidence is expected to take time. The Group's wholesale business segment, particularly the heating, ventilation, and air-conditioning (HVAC) wholesale sector, will continue to face challenges due to the continued sluggish real estate market, which may heighten the risks associated with debt collection. Nevertheless, the Group remains committed to a strategy of steady development in the HVAC wholesale business, carefully monitoring macroeconomic policy directions, default risks, and opportunities for business growth.

The Group will closely monitor US-China trade tensions, global financial volatility, and key industry risks, while maintaining effective communication with its clients. Where appropriate, it will promptly adjust its sales and purchasing strategies to support sustained business growth and enhanced performance.

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 Year.

EVENT AFTER THE REPORTING PERIOD

Subsequent to 31 March 2026, saved as disclosed elsewhere in this announcement, the Group had no significant subsequent event.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee consists of three members, namely Ms Chen Wei (appointed on 31 July 2025), Ms Ke Yue (appointed on 12 March 2026), Mr Jiang Yuexiang (appointed on 12 March 2026), Mr Shin Yick Fabian (resigned on 31 July 2025), Mr He Chengying (resigned on 12 March 2026) and Mr Kwong Kwan Tong (resigned on 12 March 2026), all of them being independent non-executive Directors. The chairman of the Audit Committee is Ms Chen Wei (appointed on 31 July 2025) and Mr Shin Yick Fabian (resigned on 31 July 2025) respectively. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Year and was of the opinion that such statements had complied with applicable accounting principles and practices adopted by the Group and that adequate disclosure had been made.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Forvis Mazars CPA Limited, *Certified Public Accountants*, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by Forvis Mazars CPA Limited on this announcement.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company acknowledges the important role of, the Board in providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations. In the opinion of the Directors, the Company has complied with the applicable code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules during the Year, except for the deviation from code provision Part 2 C.2.

Code Provision Part 2 C.2 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, the Group has not had the position of chief executive. Although the Group has not designated any person as chief executive, the Board have met regularly to consider major matters regarding the business and operations of the Group. After evaluating the current board composition, the Board is of the opinion that the present composition and arrangement of the Board is appropriate and in the best interests of the Company in view of carrying out the policies and business operations of the Company.

During the Year, the Board consists of four male Directors and two female Directors. The Company has complied with Rule 13.92 of the Listing Rules with respect of gender diversity of the Board.

The Company will review its corporate governance practices regularly to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issued (the "Model Code") as set out in Appendix C3 of the Listing Rules as its own code of conduct for securities transactions. The Company has made specific inquiries to all Directors and they have confirmed that they have complied with the required standard as set out in the Model Code throughout the Year.

DIVIDEND

The Board has resolved not to declare any dividend for the Year.

ANNUAL GENERAL MEETING

The date of the annual general meeting of the Company (the "AGM") will be announced in due course. Notice of AGM will be issued and disseminated to the shareholders in due course.

PUBLICATION OF THE FURTHER INFORMATION

The 2026 annual report of the Company will be despatched to the shareholders of the Company and available on the Company's website at www.lisigroup.com.hk and the website of The Stock Exchange in due course.

APPRECIATION

The Chairman of the Group would like to take this opportunity to thank his fellow Directors for their invaluable advice and guidance, and each staff of the Group for their hard work, contribution and loyalty to the Group.

By Order of the Board
LISI GROUP (HOLDINGS) LIMITED
Xu Jinbo
Chairman and Executive Director

Hong Kong, 29 June 2026

As at the date of this announcement, the Board comprises Mr Xu Jinbo, Mr Wang Yong and Mr Wang Bo being executive Directors, Ms Chen Wei, Ms Ke Yue and Mr Jiang Yuexiang being independent non-executive Directors.