Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Analogue Holdings Limited
安樂工程集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1977)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Financial Highlights

	2021	2020
	HK$'M	*HK$'M*
Value of outstanding contracts	**11,309.0**	11,847.5
Revenue	**5,350.7**	5,125.2
Gross profit	**878.4**	909.1
Profit attributable to owners of the Company	**314.3**	301.4
Basic earnings per share	**HK$0.22**	HK$0.22

The Board has resolved to pay a second interim dividend of HK7.25 cents per share for the year ended 31 December 2021.[i]

(i) The second interim dividend for the year ended 31 December 2021 of HK7.25 cents per share, in an aggregate amount of HK$101,500,000, is expected to be paid on or about 29 April 2022. Together with the first interim dividend of HK4.02 cents per share, amounted to HK$56,280,000 in aggregate, paid in September 2021, total distribution of dividends made by the Company for the year ended 31 December 2021 will be HK11.27 cents per share, amounted to HK$157,780,000 in aggregate, representing a dividend payout ratio of 50.2%, based on the profit attributable to owners of the Company of HK$314.3 million.

RESULTS

The board of directors (the "Board") of Analogue Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2021 ("FY2021").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 HK$'000	2020 HK$'000
Revenue	3	**5,350,720**	5,125,181
Cost of sales and services		**(4,472,348)**	(4,216,050)
Gross profit		**878,372**	909,131
Other income		**18,437**	18,172
Other gains and losses	5	**18,111**	(5,019)
Reversal of impairment losses (impairment losses) under expected credit loss model, net		**14,710**	(20,987)
Selling and distribution expenses		**(2,700)**	(4,086)
Administrative expenses		**(617,350)**	(578,334)
Share of results of associates		**74,196**	27,379
Finance costs	6	**(4,910)**	(3,707)
Profit before tax		**378,866**	342,549
Income tax expense	7	**(64,567)**	(38,664)
Profit for the year	8	**314,299**	303,885
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Gain (loss) on revaluation of properties		**6,854**	(4,878)
Income tax relating to (gain) loss on revaluation of properties		**(1,131)**	805
		5,723	(4,073)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising from translation of foreign operations		**17,332**	38,783
Reclassification of cumulative translation reserve upon disposal of interest in an associate		**(797)**	228
		16,535	39,011
Other comprehensive income for the year, net of tax		**22,258**	34,938
Total comprehensive income for the year		**336,557**	338,823

	Note	**2021**	2020
		HK$'000	*HK$'000*
Profit for the year attributable to:			
Owners of the Company		**314,299**	301,350
Non-controlling interests		**–**	2,535
		314,299	303,885
Total comprehensive income for the year attributable to:			
Owners of the Company		**336,557**	336,288
Non-controlling interests		**–**	2,535
		336,557	338,823
		HK cents	HK cents
Earnings per share			
Basic	*10*	**22**	22
Diluted	*10*	**22**	22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	**2021**	2020
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**589,930**	4,530
Property, plant and equipment		**157,036**	130,381
Right-of-use assets		**77,475**	71,512
Intangible assets		**–**	–
Deposits paid for acquisition of property, plant and equipment		**1,110**	–
Interests in associates	*11*	**544,714**	509,482
Deferred tax assets		**10,458**	5,787
		1,380,723	721,692
Current assets			
Inventories		**85,405**	79,781
Contract assets	*12*	**975,211**	1,004,492
Trade receivables	*13*	**1,066,560**	789,953
Other receivables, deposits and prepayments		**109,246**	95,203
Amount due from an associate		**–**	–
Amounts due from partners of joint operations		**10,354**	24,263
Derivative financial instruments		**–**	316
Tax recoverable		**1,733**	22,548
Pledged bank deposits		**18,188**	15,374
Bank balances and cash		**801,738**	1,116,105
		3,068,435	3,148,035
Current liabilities			
Trade and retention payables	*14*	**599,929**	460,168
Other payables and accrued expenses	*15*	**1,163,613**	1,105,467
Contract liabilities		**77,174**	106,181
Amounts due to partners of joint operations		**11,112**	2,300
Bank borrowing – due within one year		**14,625**	–
Derivative financial instruments		**4,286**	–
Lease liabilities		**31,157**	28,598
Contingent consideration payables	*16*	**52,706**	77,009
Tax payable		**17,475**	12,071
		1,972,077	1,791,794
Net current assets		**1,096,358**	1,356,241
Total assets less current liabilities		**2,477,081**	2,077,933

	Note	2021 HK$'000	2020 HK$'000
Capital and reserves			
Share capital		**14,000**	14,000
Reserves		**2,115,699**	1,959,632
Total equity		**2,129,699**	1,973,632
Non-current liabilities			
Bank borrowing – due after one year		**277,875**	–
Lease liabilities		**46,252**	42,306
Deferred tax liabilities		**21,092**	14,764
Deferred income		**2,163**	2,432
Contingent consideration payables	*16*	**–**	44,799
		347,382	104,301
		2,477,081	2,077,933

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("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 the primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group has early applied the Amendment to HKFRS 16 *COVID-19-Related Rent Concessions beyond 30 June 2021*.

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

The application of the amendments to HKFRSs 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 HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020[1]

[1] Effective for annual periods beginning on or after 1 January 2022.

[2] Effective for annual periods beginning on or after 1 January 2023.

[3] Effective for annual periods beginning on or after a date to be determined.

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

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 *Business Combinations* so that it refers to the *Conceptual Framework for Financial Reporting 2018* issued in June 2018 (the "Conceptual Framework") instead of *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting 2010* issued in October 2010);

- add a requirement that, for transactions and other events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 December 2021, the application of the amendments will not result in reclassification of the Group's liabilities.

Amendments to HKFRSs Annual Improvements to HKFRSs 2018 – 2020

The annual improvements make amendments to the following standards relevant to the Group.

HKFRS 9 Financial Instruments

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the "10 per cent" test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf.

HKFRS 16 Leases

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. REVENUE

The Group recognises revenue from three major sources, namely, contracting work, maintenance work and sales of goods for both years.

(i) Disaggregation of revenue from contracts with customers

The following is an analysis of the Group's revenue from its major products and services:

	2021	2020
	HK$'000	*HK$'000*
Timing of revenue recognition and category of revenue		
Recognised over time and long-term contracts		
Contracting work	**4,249,701**	4,101,152
Maintenance work	**944,743**	881,483
	5,194,444	4,982,635
Recognised at a point of time and short-term contracts		
Sales of goods	**156,276**	142,546
	5,350,720	5,125,181

(ii) Transaction price allocated to the remaining performance obligations for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and the expected timing of recognising revenue are as follows:

	Contracting work *HK$'000*	**Maintenance work** *HK$'000*	**Sales of goods** *HK$'000*
Within one year	**4,722,732**	**753,937**	**148,111**
More than one year but not more than two years	**1,978,184**	**395,102**	**–**
More than two years	**2,264,672**	**1,046,255**	**–**
	8,965,588	**2,195,294**	**148,111**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and the expected timing of recognising revenue are as follows:

	Contracting work *HK$'000*	Maintenance work *HK$'000*	Sales of goods *HK$'000*
Within one year	4,290,945	932,562	278,604
More than one year but not more than two years	2,447,902	367,601	–
More than two years	2,585,783	944,085	–
	9,324,630	2,244,248	278,604

4. SEGMENT INFORMATION

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

Specifically, the Group's reportable and operating segments are as follows:

Building services:	Provision of electrical and mechanical engineering building services, including the design, installation, testing and commissioning and maintenance of heating, ventilation and air-conditioning system, fire service system, plumbing and drainage system and electrical and extra low voltage system
Environmental engineering:	Provision of total solutions for the design, construction, operation and maintenance of environmental engineering systems for treatment of sewage, water, solid waste, sludge and gas
Information, communications and building technologies ("ICBT"):	Provision for design, installation and servicing of a wide range of intelligent systems, information and communications (ICT) systems and building technology systems
Lifts and escalators:	Provision of i) total solution for design, supply and installation of a wide range lifts and escalators offered under the trade name of "Anlev Elex" and ii) repair and maintenance services for lifts and escalators

Reconciliation of segment revenue

For the year ended 31 December 2021

	Building services *HK$'000*	**Environmental engineering** *HK$'000*	**ICBT** *HK$'000*	**Lifts and escalators** *HK$'000*	**Total** *HK$'000*
Revenue					
– Contracting work	**3,103,024**	**628,481**	**368,594**	**149,602**	**4,249,701**
– Maintenance work	**268,814**	**407,502**	**108,302**	**160,125**	**944,743**
– Sales of goods	**6,871**	**81,293**	**17,844**	**50,268**	**156,276**
Total revenue	**3,378,709**	**1,117,276**	**494,740**	**359,995**	**5,350,720**

For the year ended 31 December 2020

	Building services *HK$'000*	Environmental engineering *HK$'000*	ICBT *HK$'000*	Lifts and escalators *HK$'000*	Total *HK$'000*
Revenue					
– Contracting work	2,926,275	516,552	331,523	326,802	4,101,152
– Maintenance work	236,823	292,619	108,749	243,292	881,483
– Sales of goods	6,748	87,412	13,045	35,341	142,546
Total revenue	3,169,846	896,583	453,317	605,435	5,125,181

Segment revenue and results

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

For the year ended 31 December 2021

	Building services *HK$'000*	**Environmental engineering** *HK$'000*	**ICBT** *HK$'000*	**Lifts and escalators** *HK$'000*	**Inter segment elimination/ unallocated** *HK$'000*	**Total** *HK$'000*
Revenue						
– external	**3,378,709**	**1,117,276**	**494,740**	**359,995**	**–**	**5,350,720**
– inter-segment	**5,935**	**270**	**61,312**	**3,660**	**(71,177)**	**–**
Total revenue	**3,384,644**	**1,117,546**	**556,052**	**363,655**	**(71,177)**	**5,350,720**
Segment profit	**130,737**	**98,609**	**36,970**	**70,933**	**–**	**337,249**
Share of results of an associate						**23,896**
Bank interest income						**5,051**
Finance costs						**(4,910)**
Unallocated income						**68,420**
Unallocated expenses						**(50,840)**
Profit before tax						**378,866**
Income tax expense						**(64,567)**
Profit for the year						**314,299**
Other segment information						
Depreciation of property, plant and equipment	**2,048**	**1,661**	**1,118**	**4,290**	**21,459**	**30,576**
Depreciation of right-of-use assets	**7,425**	**1,668**	**4,149**	**1,500**	**22,009**	**36,751**
(Reversal of impairment losses) impairment losses under expected credit loss model, net	**(13,713)**	**(12,446)**	**15**	**11,434**	**–**	**(14,710)**
(Gain) loss on disposals of property, plant and equipment	**(95)**	**82**	**–**	**(4)**	**5**	**(12)**
Gain on derecognition of right-of-use assets and lease liabilities	**–**	**–**	**–**	**(4)**	**–**	**(4)**

For the year ended 31 December 2020

	Building services HK$'000	Environmental engineering HK$'000	ICBT HK$'000	Lifts and escalators HK$'000	Inter segment elimination/ unallocated HK$'000	Total HK$'000
Revenue						
– external	3,169,846	896,583	453,317	605,435	–	5,125,181
– inter-segment	2,765	–	35,266	2,903	(40,934)	–
Total revenue	3,172,611	896,583	488,583	608,338	(40,934)	5,125,181
Segment profit	155,673	20,077	81,370	56,662	–	313,782
Share of results of an associate						32,835
Bank interest income						5,772
Finance costs						(3,707)
Unallocated income						22,137
Unallocated expenses						(28,270)
Profit before tax						342,549
Income tax expense						(38,664)
Profit for the year						303,885
Other segment information						
Depreciation of property, plant and equipment	2,799	1,538	1,164	4,656	17,732	27,889
Depreciation of right-of-use assets	9,468	1,335	4,582	3,976	2,043	21,404
Impairment losses on intangible assets	–	–	–	5,462	–	5,462
Impairment losses under expected credit loss model, net of reversal	2,623	17,145	598	621	–	20,987
(Gain) loss on disposals of property, plant and equipment	(133)	168	–	23	(30)	28
Gain on derecognition of right-of-use assets and lease liabilities	(154)	–	–	–	–	(154)
Amortisation of intangible assets	–	–	–	19,880	–	19,880

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, certain other income, certain other gains and losses, certain share of results of an associate and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment revenue are charged at prevailing market rates.

Segment assets and liabilities

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the CODM for review.

Information about major customers

Revenue from customers that individually contributing over 10% of the total revenue of the Group of the corresponding years are as follows:

	2021	2020
	HK$'000	*HK$'000*
Customer A*	**1,104,117**	993,961
Customer B*	**836,461**	722,364

* Revenue from all four segments.

Geographical information

The Group's operations are located in Hong Kong, Mainland China, Macau, United States of America ("USA") and others.

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

	2021	2020
	HK$'000	*HK$'000*
Revenue		
Hong Kong	**4,735,067**	4,061,534
Mainland China	**314,614**	167,572
Macau	**269,674**	577,563
USA	**1,537**	297,030
Others	**29,828**	21,482
Total	**5,350,720**	5,125,181

Information about the Group's non-current assets other than deferred tax assets is presented based on the geographical location of the assets.

	2021	2020
	HK$'000	*HK$'000*
Non-current assets		
Hong Kong	**777,775**	179,732
Mainland China	**293,402**	287,169
Macau	**364**	621
USA	**298,682**	248,383
Others	**42**	–
Total	**1,370,265**	715,905

5. OTHER GAINS AND LOSSES

	2021	2020
	HK$'000	*HK$'000*
Loss from change in fair value of contingent consideration payables *(Note 16)*	**(47,850)**	(12,808)
Gain on disposal of interest in an associate *(Note 11)*	**63,246**	13,974
Gain on disposal of a subsidiary	**–**	891
Gain (loss) on disposals of property, plant and equipment	**12**	(28)
Impairment losses on intangible assets	**–**	(5,462)
Gain on derecognition of right-of-use assets and lease liabilities	**4**	154
Net exchange gains	**2,299**	1,368
Gain (loss) from change in fair value of investment properties	**400**	(370)
Loss from change in fair value of financial assets at fair value through profit and loss	**–**	(2,738)
	18,111	(5,019)

6. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interest expenses on bank borrowing	**158**	30
Interest on lease liabilities	**4,492**	2,785
Interest expenses on other loan	**–**	543
Interest expenses on amount due to a former shareholder of a subsidiary	**–**	43
Ancillary costs in respect of banking facilities	**260**	306
	4,910	3,707

7. INCOME TAX EXPENSE

	2021	2020
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**45,732**	35,774
Macau	**3,729**	5,252
PRC Enterprise Income Tax	**16,594**	4,292
USA Federal Income Tax	**–**	4,371
USA State Income Tax	**–**	3,957
	66,055	53,646
(Over)underprovision in prior years		
Hong Kong	**6**	(3,060)
Macau	**(1,837)**	51
PRC Enterprise Income Tax	**–**	1,969
	(1,831)	(1,040)
	64,224	52,606
Deferred tax	**343**	(13,942)
	64,567	38,664

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under Macau Complementary Tax Law, companies are divided into Group A and Group B tax payers. Group A tax payers are assessed based on their actual taxable profits. Group B tax payers are assessed based on deemed profits ascertained by the Macau Finance Bureau. The Group has Group A and Group B tax payers and Macau Complementary Tax is calculated at a rate of 12% on the assessable profit above Macau Pataca ("MOP") 600,000 for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% for both years.

The Company's subsidiaries and an associate of the Group that are tax residents in the PRC are subject to the PRC dividend withholding tax at 10% when and if undistributed earnings out of profits that arose on or after 1 January 2008 are declared to be paid as dividends to its immediate holding company which is a non-PRC tax resident. According to the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" and Guoshuifa [2008] No. 112, where the Hong Kong resident company directly owns at least 25% of the capital of the Mainland company, 5% dividend withholding tax rate is applicable. During the year ended 31 December 2021, 5% and 10% withholding tax rates were used for the Company's subsidiaries and the Group's associate, respectively (2020: 5%). A provision for dividend withholding tax of approximately HK$6,902,000 was charged to profit or loss for the year ended 31 December 2021 (2020: a provision for dividend withholding tax of approximately HK$313,000 was reversed). During the year ended 31 December 2021, withholding tax of approximately HK$1,484,000 (2020: HK$757,000) was paid by the Group. The above resulted in a net provision for dividend withholding tax of approximately HK$5,418,000 charged to profit or loss for the year ended 31 December 2021 (2020: a net reversal of provision of approximately HK$1,070,000 was credited to profit or loss).

During the year ended 31 December 2020, the Group's USA subsidiary, Transel Elevator & Electric Inc. ("TEI"), was subject to USA corporate tax representing 21% of the applicable USA Federal Income Tax rate and an average income tax rate of 12.975% for State of New York, State of New Jersey and New York City jurisdictions for its operations in the USA. On 10 August 2020, the Group disposed of 2% of equity interests in TEI and upon the disposal, TEI became an associate of the Group.

8. PROFIT FOR THE YEAR

	2021 ***HK$'000***	2020 *HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Staff costs (including directors' remuneration) *(Note)*:		
– Directors' remuneration	**18,928**	22,704
– Salaries and other benefits	**1,149,261**	1,071,831
– Retirement benefit scheme contributions (excluding directors)	**51,674**	47,471
	1,219,863	1,142,006
Cost of inventories recognised as expenses (included in cost of sales and services)	**247,956**	246,898
Depreciation of property, plant and equipment	**30,576**	27,889
Depreciation of right-of-use assets	**36,751**	21,404
Amortisation of intangible assets	**–**	19,880
Write-down of inventories, net	**15,604**	3,966
Inventories written off	**845**	–
Loss (gain) from change in fair value of derivative financial instruments	**4,602**	(316)
Rental income from investment properties	**(495)**	(141)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**28**	15
	(467)	(126)
Auditor's remuneration	**4,808**	4,621

Note: During the current year, the Group recognised government grants of approximately HK$2,768,000 (2020: HK$97,028,000) in respect of COVID-19 related subsidies, of which Nil (2020: approximately HK$90,573,000) relates to Employment Support Scheme provided by the Hong Kong government and was credited to cost of sales and services and administrative expenses.

9. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the year:

	2021	2020
	HK$'000	*HK$'000*
2021 interim – HK4.02 cents (2020: 2020 interim dividend – HK3.82 cents) per share	**56,280**	53,480
2020 second interim – HK7 cents (2020: 2019 second interim dividend – HK5.07 cents) per share	**98,000**	70,980
	154,280	124,460

Subsequent to the end of the reporting period, a second interim dividend in respect of the year ended 31 December 2021 of HK7.25 cents (2020: second interim dividend in respect of the year ended 31 December 2020 of HK7 cents) per ordinary share, in an aggregate amount of HK$101,500,000 (2020: HK$98,000,000), has been resolved by the board of directors of the Company to pay to the shareholders of the Company.

10. EARNINGS PER SHARE

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

	2021	2020
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to the owners of the Company)	**314,299**	301,350
Effect of dilutive potential ordinary shares:		
Adjustment to the share of profit of an associate based on dilution of its earnings per share	**(895)**	–
Earnings for the purpose of calculating diluted earnings per share	**313,404**	301,350
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**1,397,260,542**	1,400,000,000

During the year ended 31 December 2021, the weighted average numbers of ordinary shares for the calculation of basic and diluted earnings per share have been adjusted for the effect of shares held by the trustees pursuant to the share award schemes.

During the year ended 31 December 2021, the earnings for the purpose of calculating diluted earnings per share are adjusted for any changes in the Group's share of results of an associate that is attributable to the increase in the number of ordinary shares of the associate as a result of the conversion of convertible bonds issued by the associate.

Diluted earnings per share for the year ended 31 December 2020 are the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding.

11. INTERESTS IN ASSOCIATES

	2021	2020
	HK$'000	*HK$'000*
Investment cost		
Listed outside Hong Kong *(Note)*	**102,982**	116,606
Unlisted	**240,840**	240,840
Share of post-acquisition profits and other comprehensive income, net of dividends received	**200,892**	152,036
Interests in associates	**544,714**	509,482

Note: During the year ended 31 December 2021, the Group disposed of 3% of its shareholding in Nanjing Canatal Data-Centre Environmental Tech Company Ltd. ("NCA") at an aggregate consideration of approximately RMB81,013,000 (equivalent to approximately HK$97,388,000). The net proceeds from the disposal amounted to approximately RMB78,363,000 (equivalent to approximately HK$94,207,000), net of transaction cost of approximately RMB2,650,000 (equivalent to approximately HK$3,181,000). As a result of the disposal, the Group's interest in NCA decreased from 25.44% as at 31 December 2020 to 22.44% as at 31 December 2021, and a gain on disposal of approximately HK$63,246,000 was recognised for the year ended 31 December 2021.

During the year ended 31 December 2020, the Group disposed of 0.37% of its shareholding in NCA at an aggregate consideration of approximately RMB16,743,000 (equivalent to approximately HK$18,106,000). The net proceeds from the disposal amounted to approximately RMB16,077,000 (equivalent to approximately HK$17,385,000), net of transaction cost of approximately RMB666,000 (equivalent to approximately HK$721,000). The Group recognised a gain on disposal of approximately HK$13,974,000 for the year ended 31 December 2020. As a result of the disposal, the Group's interest in NCA decreased from 25.81% as at 31 December 2019 to 25.44% as at 31 December 2020.

The Group is able to exercise significant influence over NCA because the Company owns 22.44% and 25.44% of NCA as at 31 December 2021 and 2020, and appointed two directors out of nine directors.

12. CONTRACT ASSETS

	2021	2020
	HK$'000	*HK$'000*
Contract assets	**986,895**	1,018,247
Less: allowances for credit losses	**(11,684)**	(13,755)
	975,211	1,004,492

As at 1 January 2020, contract assets amounted to approximately HK$915,172,000.

As at 31 December 2021, contract assets include retention receivables of approximately HK$333,347,000 (2020: HK$334,585,000). The Group generally provides their customers with one-year warranty period. Upon the expiration of retention period, the customers will provide a final inspection and acceptance certificate and pay the retention within the term specified in the contract.

Retention receivables are interest-free and repayable at the end of the retention period of the respective construction contract. The Group did not have any retention receivables that were past due but not impaired at the end of the reporting period.

The changes in contract assets are due to i) adjustments arising from changes in the measure of progress of contracting work, or ii) reclassification to trade receivables when the Group has unconditional right to the consideration.

Details of the allowances for credit losses are set out in Note 13.

13. TRADE RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables	**896,616**	754,676
Less: allowances for credit losses	**(50,054)**	(62,059)
	846,562	692,617
Unbilled revenue *(Note)*	**205,925**	93,042
Bills receivables	**14,073**	5,261
Less: allowances for credit losses	**–**	(967)
	14,073	4,294
	1,066,560	789,953

Note: Unbilled revenue represents accrued revenue for works performed by the Group but yet to bill. The Group has unconditional right to the payment of unbilled revenue which is expected to be billed within 90 days and received within 12 months from the end of the reporting period.

As at 1 January 2020, total trade receivables including unbilled revenue and bills receivables amounted to approximately HK$1,001,310,000.

As at 31 December 2021, the Group's bills receivables are of age within one year (2020: within one year).

The Group generally allows credit period ranging from 14 to 90 days (2020: 14 to 90 days). The Group will assess the credit quality of each potential customer and define rating and credit limit for each customer. In addition, the Group will review the repayment history of receivables by each customer with reference to the payment terms stated in contracts to determine the recoverability of trade receivables. Trade receivables that are neither past due nor impaired have good credit quality and low default rate under the internal credit assessment adopted by the Group. The Group does not hold any collateral over these balances.

Aging of trade receivables net of allowances for credit losses presented based on the invoice dates are as follows:

	2021	2020
	HK$'000	*HK$'000*
0 – 30 days	**606,194**	472,311
31 – 90 days	**163,954**	135,626
91 – 360 days	**75,377**	74,691
Over 1 year	**1,037**	9,989
Total	**846,562**	692,617

As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$327,171,000 (2020: HK$286,357,000) which are past due as at the reporting date. Out of the past due balances, approximately HK$61,237,000 (2020: HK$65,415,000) has been past due 90 days or more and is not considered as in default due to the long-term/on-going relationship, good repayment record and continuous repayment from these customers.

During the year ended 31 December 2021, the Group recognised impairment allowance of approximately HK$20,376,000 (2020: HK$25,633,000) and reversed impairment allowance of approximately HK$11,020,000 (2020: HK$7,029,000) for not credit-impaired trade receivables, based on the collective assessment. Impairment allowance of approximately HK$22,227,000 (2020: HK$25,196,000) was made and approximately HK$44,213,000 (2020: HK$36,505,000) was reversed on credit-impaired trade receivables. During the year ended 31 December 2021, trade debtors with gross carrying amount of approximately HK$8,408,000 (2020: HK$15,069,000) became credit-impaired and therefore, approximately HK$8,408,000 (2020: HK$15,069,000) lifetime ECL was transferred from not credit-impaired to credit-impaired.

During the year ended 31 December 2021, impairment allowance of approximately HK$2,080,000 was reversed (2020: HK$13,692,000 was made) on contract assets based on the collective assessment.

14. TRADE AND RETENTION PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables	**397,284**	273,480
Trade accruals	**53,236**	50,655
Retention payables	**149,409**	134,159
Bills payables	**–**	1,874
	599,929	460,168

As at 31 December 2020, the Group's bills payables are due within six months.

The credit period on trade payables is ranging from 0 to 90 days. The aging analysis of the Group's trade payables below is presented based on the invoice date at the end of the reporting period:

	2021	2020
	HK$'000	*HK$'000*
0 – 30 days	**244,298**	157,990
31 – 90 days	**101,004**	62,975
91 – 360 days	**23,757**	20,210
Over 1 year	**28,225**	32,305
	397,284	273,480

15. OTHER PAYABLES AND ACCRUED EXPENSES

	2021	2020
	HK$'000	*HK$'000*
Accrued staff costs	**172,162**	148,163
Accrued contract costs	**931,049**	919,359
Others	**60,402**	37,945
	1,163,613	1,105,467

16. CONTINGENT CONSIDERATION PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Current	**52,706**	77,009
Non-current	**–**	44,799
Total	**52,706**	121,808

On 31 March 2020, the Group acquired 51% equity interests in TEI for an aggregate consideration of US$35.70 million (equivalent to approximately HK$278.46 million). Out of the aggregate consideration of US$35.70 million (equivalent to approximately HK$278.46 million), US$17.85 million (equivalent to approximately HK$139.23 million) was paid in cash upon the completion of the acquisition. The remaining consideration of US$17.85 million (equivalent to approximately HK$139.23 million) (the "Deferred Payments") will be deferred and adjusted based on the actual performance of TEI for the pre-determined periods, varies from 0% to 140% of the Deferred Payments.

The Deferred Payments are payable as follows:

(i) US$10.71 million (equivalent to approximately HK$83.54 million) (subject to adjustment) will be paid to the Sellers within 5 business days after the final determination of the first deferral payment, which will be calculated based on actual performance of TEI for the period from 1 July 2020 to 30 June 2021 (the "First Deferral Payment"); and

(ii) US$7.14 million (equivalent to approximately HK$55.69 million) (subject to adjustment) will be paid to the Sellers within 5 business days after the final determination of the second deferral payment, which will be calculated based on actual performance of TEI for the period from 1 July 2021 to 30 June 2022 (the "Second Deferral Payment").

At the date of initial recognition, the fair value of the contingent consideration payables amounted to approximately HK$109,000,000, representing the estimated fair value of the First Deferral Payment and Second Deferral Payment.

The contingent consideration payables are measured at fair value at the end of the reporting period, with changes in fair value recognised in profit or loss. As at 31 December 2021, the fair value of the deferred consideration payables amounted to approximately HK$52,706,000 (2020: HK$121,808,000), in which approximately HK$52,706,000 (2020: HK$77,009,000) will be due within 12 months from the end of the reporting period and classified as current liabilities.

	HK$'000
As at 31 March 2020 (date of initial recognition)	109,000
Loss on change in fair value	12,808
As at 31 December 2020 and 1 January 2021	**121,808**
Payment made during the year	**(116,952)**
Loss on change in fair value	**47,850**
As at 31 December 2021	**52,706**

Included in the share of results of associates for the year ended 31 December 2021, approximately HK$37,640,000, is related to the share of USA government grants in respect of the Paycheck Protection Program ("PPP") loan forgiveness received by TEI. With the inclusion of this PPP loan forgiveness, the profit before tax of TEI for the period from 1 July 2020 to 30 June 2021 exceeds its target performance and thus resulted in "loss from change in fair value of contingent consideration payables" by approximately HK$33,415,000, part of HK$47,850,000, which is included in other gains and losses.

17. PLEDGE OF ASSETS

At the end of the reporting period, the Group had the following pledge of assets:

	2021 ***HK$'000***	2020 *HK$'000*
Properties	**71,400**	65,600
Investment properties	**589,930**	4,530
Bank deposits	**18,188**	15,374
Others	**1,756**	–
	681,274	85,504

18. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

During the year ended 31 December 2021, the Group completed the following transaction accounted for as acquisition of assets through acquisition of subsidiaries as the assets acquired do not meet the definition of a business:

On 20 December 2021, the Group acquired 100% equity interest of Black Tie Holdings Limited and its wholly owned subsidiary, Fame Smart Investment Limited ("Target Group"), for an aggregate consideration of HK$580,486,000 from an independent third party. The Target Group's major asset is the property known as Toppy Tower located in Kwai Chung, Hong Kong.

The Group elected to apply the optional concentration test in accordance with HKFRS 3 *Business Combinations* and concluded that the property is considered as a single identifiable assets. The Group determined that substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets and conclude that the acquired Target Group is not a business.

Assets and liabilities recognised at the date of acquisition:

	HK$'000
Non-current asset	
Investment properties	**585,000**
Current assets	
Trade receivables	**74**
Other receivables, deposits and prepayments	**438**
Bank balances and cash	**4**
Current liability	
Other payables and accrued expenses	**(5,030)**
	580,486

Net cash outflows arising on acquisition of the Target Group

	HK$'000
Consideration paid in cash	**580,486**
Less: bank balances and cash acquired	**(4)**
	580,482

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Solid performance was posted by the Group in 2021 amid the pandemic and global uncertainty, achieving a 4.3% year-on-year growth in the net profit attributable to owners of the Company to HK$314.3 million. This year-on-year growth in net profit was achieved in the absence of such wage subsidies as the Government's "Employment Support Scheme" in 2020, which is evidence that the year ended 31 December 2021 ("FY2021") is most encouraging.

As noted previously, the Group reduced its stake in TEI from 51% to 49% in August 2020, and TEI has been reported as an associate of the Group thereafter. As such, an adjustment is made for TEI for FY2020 – where appropriate in this announcement – to provide an appropriate comparison of the Group's performance between FY2021 and FY2020. TEI remains a close strategic partner for capturing overseas business development and expansion opportunities.

The Group recorded a total revenue of HK$5,351 million in FY2021, an increase of 4.4% compared to that in FY2020. When adjusted for the revenue from TEI, the Group's total revenue increased by 10.8% or HK$522 million compared to FY2020. This revenue increase was driven by both our Building Services and Environmental Engineering segments, which shows the progress and strength of our different business segments.

We were able to draw on our exceptional project execution capability to deliver on our order book throughout 2021; our contracts-in-hand as at 31 December 2021 edged down 4.5% to HK$11,309 million (31 December 2020: HK$11,847 million). The Group's tendering activities remained active during the reporting period, with a total of 1,676 tenders valued at over HK$1 million each. The total value of tenders and quotations awarded amounted to HK$4,812 million. Compared to the exceptional year of 2020, which saw a record contract award of HK$7,567 million, FY2021 posted a strong performance notwithstanding the emergence of the fifth wave of COVID-19 towards the end of 2021.

In particular, our revenue from maintenance increased 7.2% year-on-year to HK$945 million, with the Group securing HK$896 million maintenance contracts during the reporting period. This is a testament to our position as a leading provider of operations and maintenance.

Our emphasis on close collaboration with clients to anticipate and solve their most pressing challenges, backed up by our in-house research and development teams who stand ready to drive innovation and respond to changing trends, will continue to be the critical success factor in maintaining our clients' infrastructure assets and meeting their economic, social, and environmental vision.

We are striding forward with a strategy underpinned by the three key pillars of "New Technology", "New Market", and "New Business Model". This is evidenced by our alliance with TEI, one of the largest independent lift and escalator companies in New York, and the establishment of the Group's first lifts and escalators company in the United Kingdom. The alliance with TEI has effectively enhanced the Group's operational and technical capabilities, and widened our service offering to international customers. Our collaboration with one of the Hong Kong property developers positions the Group for gaining a larger foothold in the healthcare sector and for opening up ground-breaking technologies and new business models such as IoT solutions and tele-medicine.

The Group became the first E&M engineering company in Hong Kong to obtain a Sustainable Finance Certification from the Construction Industry Council and achieve the Green Loan Pre-Issuance Stage Certificate under the Green and Sustainable Finance Certification Scheme launched by the Hong Kong Quality Assurance Agency. This paves the way for the Group's first Green Finance Framework for utilising Green Financing Transactions to fund and deliver environmental and sustainable solutions that benefit our clients and the community.

We will continue to leverage suitable new business ventures and opportunities for equity partnerships, such as Public Private Partnership (PPP) for "One Belt One Road" projects, and for delivering projects more effectively and more sustainably.

During the reporting period, the Group won multiple awards in recognition of our leadership and best practices. These prestigious awards include the "Grand Award" and "Professionalisation Award" of the first "CIC Outstanding Contractor Award 2021" under the "Specialist Contractor" category organised by the Construction Industry Council; the Gold Award of the CIC Construction Digitalisation Award 2021 under the Organisation Category – Category B; and the "Employer of the Year Award (Large Category)" of CIBSE Young Engineers Awards 2021.

The Group set a significant milestone with the acquisition of Toppy Tower, an industrial building located in Kwai Chung, an industrial building planned to be revitalised for integrating all our operational units under an office hub. Centralising our resources in one location will boost our productivity and promote synergy between business units.

Building Services

With active project delivery throughout the year, the Building Services segment edged down its contracts-in-hand by 8.5% from 2020, to HK$4,892 million as of 31 December 2021.

Well recognised as an early adopter of cutting-edge building technologies, our Building Services segment pioneered the first high-rise building in Hong Kong using the advanced Modular Integrated Construction ("MiC") method. Our technical excellence and quality workmanship demonstrated on this successful project enabled the Group to secure HK$150 million of MiC contracts in the reporting period.

With the increasing market demand for MiC, we are expanding our MultiTrade integrated Mechanical, Electrical and Plumbing ("MiMEP") facilities and developing our proprietary ATAL Building Services Prefabrication and Modularisation Construction Technology ("ABSPM"). ABSPM coupled with digitalisation technologies can bring benefits to our clients by significantly improving the speed, cost, safety, and quality of construction work.

We have been working on one of the territory's biggest data centres, and have secured additional installation and maintenance projects from major data centre operators in Hong Kong. With the continuously increasing demand for data storage and transmission, further business opportunities will arise in association with data centres.

Our Mainland team has secured a major contract for a Hong Kong racehorse training facility located in Guangzhou. Other key projects secured by the Building Services segment during the reporting period include a major hospital term contract and seven residential projects worth approximately HK$800 million.

Environmental Engineering

As of 31 December 2021, the contracts-in-hand of the Environmental Engineering segment decreased by 1.2% to HK$4,977 million.

During the reporting period, the Group was awarded four term contracts for the Hong Kong Government's water supplies department that brings citywide benefits. The scope covers all waterwork installations throughout the territory, particularly the maintenance of mechanical and electrical equipment, instrumentation equipment, water quality monitoring equipment, and plants. This reflects the recognition for the Group's holistic and multi-disciplinary approach in providing comprehensive solutions to upkeep the city's water quality.

An example of the social and economic benefits that our projects can bring to the local communities is the Hong Kong Government drainage services department's iconic project to upgrade the existing sewage treatment works to become the effluent polishing plant in Yuen Long which has been upgraded to meet future development needs, including expanding the treatment capacity from 70,000m^3/day to 150,000m^3/day. Our deployment of the most advanced sewage treatment technologies featuring green design and community provisions, will create an exemplary community asset and a more sustainable Hong Kong.

The Group commenced the operation and maintenance works for the sewage treatment plants in San Wai and power stations in Castle Peak and Black Point during the reporting period. The Group is entrusted to implement innovative strengthening, protection, and maintenance solutions to extend the working life of the treatment plants and to ensure they are being maintained to their optimal capacity for serving the community in Hong Kong.

ICBT

As of 31 December 2021, the contracts-in-hand of the Information, Communications and Building Technologies ("ICBT") segment increased by 2.7% over the same period in 2020, to HK$877 million.

The Group is driving forward its green and intelligent building solutions, integrating a wide range of information and communication technologies with building energy and management technologies to increase connectivity and contribute to the development of the "Smart City" and "Smart Economy". To ensure access to the best industry practices, the ICBT segment is supported by the Group's in-house research and development capabilities in collaboration with market-leading hardware and software partners, universities, and research institutes.

We successful rolled out in FY2021 our proprietary Internet of Things ("IoT") applications for Smart Washrooms, Retro-commissioning of electrical and mechanical systems, Indoor Environmental Quality Monitoring, Indoor Positioning and Video Analytics. Our continuous contributions to streamlining digital processes and applying them will ultimately benefit society and advance the Smart City development in line with the government's blueprint.

Our in-house developed Cloud-based AI Energy Management Platform has attracted wide industry recognition and helped secure multiple orders from reputable clients. Our AI Energy Management Platform, IoT applications, and Video Analytics technology have been chosen by more than 20 shopping malls. Our Photovoltaic ("PV") systems will be installed in more than 100 schools and NGOs; the combination of digital-reality capture, pervasive connectivity and systems integration will ensure better, safer, faster and more cost-effective outcomes for our clients.

The Group will continue to innovate, apply new technology, and invest to drive digital transformation across smart building technologies. Innovations will be rolled out and adopted across the business in a timely manner to offer our clients the latest, most advantageous, and proven technology.

Lifts & Escalators

As of 31 December 2021, the contracts-in-hand of our Anlev Elevator Group ("Anlev"), after adjusting for TEI – decreased by 7.3% over the same period in 2020, to HK$563 million.

Anlev, whose globally-branded lifts, escalators, and moving walkways serve millions of users in Asia, the Americas, and Europe, advances urbanisation by offering a one-stop solution through a range of vertical and horizontal transportation systems. A testament to the outstanding safety and quality performance of Anlev, one of its main profit contributors is the lift and escalator maintenance contracts in both the private and public sectors. In reporting period, Anlev was again awarded the contract for the Comprehensive Maintenance and Repair of Escalator Installations at Various Premises of the Hong Kong Government. In addition to maintenance, Anlev provides design, manufacturing, sales, installation and modernisation of all forms of vertical and horizontal transportation systems.

Recognised as a leader in safety and total quality management, and an innovative and sustainable engineering provider, Anlev has been accredited with the highest level of safety and quality performance for a consecutive period of nine years, with the award of the "Safety Star" plus five "Service Quality Stars" in the Lift contractors and Escalator Contractors' Rating since the launch of this rating by the Hong Kong Government.

Significantly, Anlev won first place of Elevator World's "2021 Project of the Year" contest under the "Escalator: modernisation" category for the Central-Mid-Levels Escalator and Walkway System modernisation project, being the only company from Asia on the winners list.

Anlev installed Hong Kong's first commercial puzzle-stacking automated parking system, which advances the 'Smart Mobility' in Hong Kong with a form of flexible automated parking system ("APS"). The APS design by Anlev leverages innovative technology to provide 30 to 100 percent more parking spaces within the same footprint, thus helping to alleviate the shortage of parking space in Hong Kong, enhance traffic planning and bring greater convenience to motorists. Following the success of the first APS project, Anlev was awarded a further contract to provide an APS for the new government building in the Kai Tak Development Area.

The Gold medal was awarded to Anlev at the largest global exhibition devoted exclusively to inventions, the "International Exhibition of Inventions of Geneva 2021", for the "Artificial Intelligent Nylon Optical Fibre Sensing Escalator Combs", a device that detects obstacles on escalators in real-time. Anlev's gold medal was the result of close collaboration and co-creation with the government's Electrical and Mechanical Services Department. This invention was recognised as having combined innovation, technology, and smart mobility to enhance the quality of urban living for current and future generations.

The expansion of Anlev's manufacturing plant in Nanjing is expected to be completed by 2022. Anlev's substantial investment will greatly increase the production capacity of our products. Backed by our safety and quality excellence, this expansion will position Anlev to capture market opportunities both locally and globally.

Innovation, Resources Management and Other Operation Initiatives

The Group has a long-term commitment to innovation as a foundation for business success. We have continuously innovated to adapt to new ways of working under COVID-19 not only to sustain our operations but also to emerge stronger in the new norm. We have worked with our industry and supply-chain partners, government and clients closely, to protect our employees and stakeholders, and keep our operations running.

During the reporting period, the Group has continued with its digital transformation and accelerated self-developed new technology, including the 'Digital Twin technology' for optimising chemical usage and operation efficiency at designated water and wastewater treatment plants, and IoT and big data analytics technology for predictive maintenance of lifts and escalators and other applications such as fault diagnosis of electrical and mechanical systems.

Other digital technology solutions harnessed to deliver market-leading innovations include Artificial Intelligence ("AI"), MultiTrade integrated Mechanical, Electrical and Plumbing ("MiMEP") systems, and Building Information Modelling ("BIM").

Digitalisation development will continue, towards automation and operational modernisation on the one hand, and enhancing the Group's capabilities for deploying smart operations enabled by our AI Energy Management Platform, IoT applications and big data analytics on the other hand.

To add value to our customers, we are rolling out the latest innovative solutions in our client's premises, including "Long Range (LoRa)" and Internet of Things ("IoT)" technologies to deliver Smart Washroom solutions, and breakthrough technologies such as granular sludge treatment process as well as state-of-the-art water and wastewater treatment technology for upgrading the existing sewage treatment works to become the effluent polishing plant in Yuen Long.

Hong Kong's first Modular Integrated Construction ("MiC") pilot smart living and co-working space which we completed in Pak Shek Kok will serve as a blueprint for modernising Hong Kong's construction industry. The smart living and co-working space is intended to showcase cutting-edge construction technology to deliver a modern way of blended living-and-working in the digital era.

The readiness to adopt new technologies often depends on the interoperability with existing work practices and operation management systems. Such coordination across different aspects of project management can be enhanced by adopting BIM. The Group is taking a lead in the industry to promote, implement and adopt BIM and MiMEP as part of our strategic initiative to assure quality and improve the industry practice in construction engineering.

The Group will continue to foster an innovation culture to deliver energy optimisation, energy storage, renewable energy, digitalisation, wastewater treatment and innovative environmental solutions that will benefit clients and communities.

Training and Development

The Group's strategy is to continuously develop our people with technical, leadership and other development programmes across different levels of the organisation. We have long been training engineering graduates and technicians through the Graduate and Apprenticeship programmes. A dedicated Training and Development Unit has also been established. The Group's commitment to nurturing staff was recognised by the Training & Development Award of South China Morning Post's Classified Post HR Appreciation Awards 2020.

During the reporting period, our ATAL Training Centre ("ATC") was officially opened. This dedicated facility is equipped with innovative technologies, including IoT and virtual reality, to optimise our delivery of a variety of learning opportunities.

COVID-19 Impact

Notwithstanding the impact of the rapid spread of Covid on global business in general, especially supply chains, we have managed to sustain our operation and balanced the needs of stakeholders. The Group's clear strategy is to keep our people and subcontractors safe, whether working in the office, on-site or remotely. A Special Coronavirus Task Force has been established to develop, review and implement effective precautionary and support measures, including communication of up-to-date safety and hygiene guidelines. Reacting swiftly to assure operational continuity, our people have proven to be resilient under the COVID-19 pandemic.

FINANCIAL REVIEW

The Group is pleased to report that we achieved solid performance in FY2021. The consolidated profit attributable to owners of the Company in FY2021 was HK$314.3 million, an increase of 4.3% compared to FY2020. This result is more encouraging when considering the year-on-year comparison was made amid the absence of wage subsidies from the Government's "Employment Support Scheme" in FY2021, but which was apparent in FY2020.

The Group's net cash position underlines the ongoing strength of our balance sheet. The cash balance as of 31 December 2021 amounted to HK$801.7 million. Whilst this was less than last year by HK$314.4 million or 28.2%, it was attributable to the Group making long-term decisions in acquiring assets, including that of Toppy Tower, an industrial building planned to be revitalised as an office building. The consideration paid, net of new mortgage loan, was HK$288 million. Another major purchase was equity interests in TEI in 2020, amounting to HK$117.0 million in contingent consideration payables.

The long-term decisions were made with due consideration to maintaining sufficient cash reserves and adequate committed borrowing facilities to ensure funds are available to finance our growth and development. The Group's bank borrowing balance as of 31 December 2021 was HK$292.5 million (31 December 2020: Nil), out of which HK$277.9 million was a non-current liability.

In August 2020, the Group reduced its stake in TEI from 51% to 49%, and TEI was reported as an associate of the Group thereafter. As such, an adjustment is made for TEI for FY2020 – where appropriate in this announcement – to provide a more accurate comparison of the Group's financial performance between FY2021 and FY2020.

Revenue

In FY2021, the Group's reported revenue was HK$5,350.7 million, an increase of HK$225.5 million or 4.4% as compared with that in FY2020. Upon adjusting for the revenue from TEI in FY2020, the Group's total revenue increased by 10.8% or HK$521.5 million compared to FY2020. The following table sets forth the breakdown of the Group's revenue by nature:

	For the year ended 31 December			
	2021	**% of total**	2020	% of total
	HK$'M	**Revenue**	*HK$'M*	Revenue
Contracting work	**4,249.7**	**79.4%**	4,101.2	80.0%
Maintenance work	**944.7**	**17.7%**	881.5	17.2%
Sales of goods	**156.3**	**2.9%**	142.5	2.8%
Total	**5,350.7**	**100.0%**	5,125.2	100.0%

It should be noted that the Group's reported revenue for FY2020 included the revenue from TEI for the period from 31 March to 9 August 2020 that amounted to HK$296.0 million.

Gross Profit

The Group's gross profit in FY2021 was HK$878.4 million or 3.4% lower compared with FY2020 (FY2020: HK$909.1 million). However, as mentioned in the revenue section above, when adjustment is made for TEI, the Group's gross profit increased by 4.2% year-on-year or HK$35.5 million higher compared to FY2020 (FY2020: HK$842.9 million).

The gross profit margin was 16.4% in FY2021 versus 17.7% in FY2020 (or 17.5% in FY2020 after adjusting for TEI's contribution from April 2020 to August 2020).

Other Income

Other income increased slightly by approximately HK$0.3 million or 1.5% compared to FY2020.

Other Gains and Losses

In other gains and losses, the Group recorded a net gain of HK$18.1 million in FY2021, compared with a net loss of HK$5.0 million in FY2020, representing an increase of HK$23.1 million year-on-year.

During FY2021, the Group took steps to further optimise our portfolio to boost long term growth as evidenced by our latest disposal of approximately 3% of our shareholding in Nanjing Canatal Data-Centre Environmental Tech Company Ltd., an associate of the Group, to recognise a gain of HK$63.2 million (FY2020: the gain on disposal of approximately 0.37% equity interests resulting in a gain of HK$14.0 million). The positive impact of these gains was, however, partly offset by the remeasurement losses relating to changes in fair value of contingent consideration payables, as a result of higher profit attained by TEI for the period from 1 July 2020 to 30 June 2021 when target performance was exceeded by approximately HK$33.4 million.

Administrative Expenses

Administrative expenses of the Group increased by 6.7% to HK$617.4 million (FY2020: HK$578.3 million). The increase was mainly attributable to salary increment and staff promotion, as well as provisioning for a higher discretionary incentive bonus as a result of exceeding business performance.

Upon adjusting for the reported administrative expenses from TEI from April 2020 to August 2020, the increase compared to FY2020 would be 19.1%; and 2.1% if the subsidies obtained from the Employment Support Scheme ("ESS") recorded in 2020 was excluded.

Share of Results of Associates

The Group's share of results of associates increased by HK$46.8 million to HK$74.2 million (2020: HK$27.4 million), the contributions of which were mainly from TEI.

The Group's share of USA government grants in respect of Paycheck Protection Program ("PPP") for TEI was approximately HK$37.6 million, and this was included in the share of results of associates upon obtaining the PPP loan forgiveness by TEI in June 2021.

Liquidity and Financial Resources

The Group centrally managed its finance, funding and treasury functions and such functions are controlled at the headquarters in Hong Kong. Throughout the reporting period, the Group's liquidity position has been sound and healthy.

As of 31 December 2021, the Group's total cash and bank balances (excluding pledged bank deposits) amounted to HK$801.7 million (31 December 2020: HK$1,116.1 million), of which 66.6%, 31.5%, 1.9%, and 0.1% (31 December 2020: 68.1%, 21.4%, 10.3%, and 0.2%) were denominated in Hong Kong dollars or Macau Pataca, RMB, USD, and other currencies, respectively. The lower percentage in US dollar was mainly due to the payment of deferred consideration payables approximately at USD15 million in August 2021 with the acquisition of TEI in March 2020.

As of 31 December 2021, the Group's bank borrowing was HK$292.5 million (31 December 2020: Nil), representing the mortgage loan outstanding for Toppy Tower. The repayment is scheduled to be completed by the end of the year 2041. It is denominated in Hong Kong dollars and bears interest at floating rates.

Additionally, as of 31 December 2021, the Group had banking facilities in respect of bond, bank overdraft and loans, and other trade finance which approximately amounted to HK$2,237.9 million (31 December 2020: HK$1,462.4 million), of which approximately HK$921.2 million had been utilised (31 December 2020: HK$667.1 million). The increase in gross bank facilities year-on-year is attributable to the new facilities for a mortgage loan and planned revitalisation/renovation of Toppy Tower.

Foreign Exchange Risk

The Group operates primarily in Hong Kong, Macau, and Mainland China and is not significantly exposed to foreign exchange risk. The Group will continue to closely monitor its exposure to the currency risks by keeping track of the movement of the foreign currency rates.

The Group has entered into foreign currency forward contracts for the planned foreign currency transactions in the ordinary course of business. There are no foreign currency net investments hedged by currency borrowings or other hedging instruments.

Use of proceeds from listing of shares of the Company

The aggregate net proceeds raised by the Company from the listing of its shares pursuant to the global offering of the Company in 2019 were approximately HK$335.7 million (the "Net Proceeds"). As of 31 December 2021, the Group reported as having spent HK$218.0 million of the Net Proceeds and committed HK$13.9 million of the Net Proceeds.

As set out in the announcement of the Company dated 27 November 2020, the Board resolved to change the use of the unutilised Net Proceeds as of 31 October 2020.

The following table sets out the original allocation, the revised allocation as of 31 October 2020, and the actual usage up to 31 December 2021:

	Original allocation of Net Proceeds *HK$'M*	Utilised amount of Net Proceeds up to 31 October 2020 *HK$'M*	Revised allocation of the unutilised Net Proceeds as at 31 October 2020 *HK$'M*	Utilised amount of Net Proceeds from 1 November 2020 to 31 December 2020 *HK$'M*	Unutilised amount of Net Proceeds as at 31 December 2020 *HK$'M*	Utilised amount of Net Proceeds from 1 January 2021 to 31 December 2021 *HK$'M*	Unutilised amount of Net Proceeds as at 31 December 2021 *HK$'M*
Supporting the expansion and development of building services segment	67.1	34.6	42.4	19.0	23.4	23.4	–
Enhancing engineering capabilities in environmental engineering segment							
– acquisition of, investment in, cooperating or forming joint ventures	59.3	17.1	5.6	5.6	–	–	–
– support the expansion and development of environmental engineering segment, including project working capital needs and additional investment in development of advanced environmental process technologies	41.4	0.5	40.9	0.3	40.6	33.2	7.4
Enhancing engineering capabilities of ICBT segment							
– setting up dedicated research and development teams	19.3	6.0	13.3	0.5	12.8	9.5	3.3
– acquisition of, or investment in, companies which possess innovative technology	47.8	–	–	–	–	–	–
Expansion and development of lifts and escalators segment							
– expanding existing manufacturing facilities and construction of a new production plant	54.1	–	–	–	–	–	–
– setting up export sales office and sales and service centres in Mainland China	13.0	–	–	–	–	–	–
– expanding existing manufacturing facilities	–	–	67.1	0.2	66.9	27.9	39.0
Acquisition of, or investment in, companies	–	–	68.0	–	68.0	–	68.0
General working capital	33.7	31.8	8.4	1.2	7.2	7.2	–
Total	335.7	90.0	245.7	26.8	218.9	101.2	117.7

The expected timeline for utilising all the unutilised Net Proceeds is on or before 31 December 2022.

Acquisition of Toppy Tower

In December 2021, the Group acquired Toppy Tower, an industrial building located in Kwai Chung, Hong Kong, for an aggregate consideration of HK$580,486,000. Details of the acquisition of Toppy Tower can be referred to the Company's announcement dated 20 October 2021. The industrial building will be revitilised into an office tower that will form a consolidated operational base to bring most of our people together. This aims to improve our organisational efficiency through a sustainable work environment that is conducive to boosting our people's well-being, productivity, and creativity. This represents our Group's continued confidence in the office as a place for in-person collaboration and connection that can streamline communication, knowledge transfer, and workflows.

Future Plans For Material Investment or Capital Assets

While the Group will continue to target suitable new business ventures and investment opportunities, there are no concrete future plans for material investments or capital assets as at the date of this announcement.

Material Acquisition or Disposal of Subsidiaries, Associates and Joint Ventures

Other than the acquisition of Black Tie Holdings Limited, a company which indirectly owns Toppy Tower, in December 2021, the Group has no material acquisition or disposal of any subsidiaries, associates, and joint ventures in the course of the reporting period.

Gearing Ratio and Indebtedness

As of 31 December 2021, the gearing ratio (being gross bank borrowing divided by total equity) was 13.7% (31 December 2020: Not applicable).

Charges on Group Assets

The Group had pledged assets as security for general short-term banking facilities and a mortgage loan which amounted to HK$681.3 million as of 31 December 2021 (31 December 2020: HK$85.5 million). This was an increase of HK$595.8 million compared to the end of last year. This was mainly due to the new pledge with the acquisition of Toppy Tower, for the mortgage loan as well as loan facilities for revitalisation and renovation of Toppy Tower.

Capital Commitment

As of 31 December 2021, the capital commitment of the Group contracted but not provided for in the consolidated financial statements amounted to HK$23.0 million for the expansion of existing lifts and escalators manufacturing facilities in Nanjing, revitalisation of existing investment properties, and the enterprise resources planning system (31 December 2020: HK$2.4 million).

Contingent Liabilities

As of 31 December 2021, the Group had outstanding performance bonds of approximately HK$447.2 million (31 December 2020: HK$486.8 million), which were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's contractual obligations to customers. If the Group fails to provide satisfactory performance to such customers, the customers may demand the banks to pay them the sum or sum stipulated in the performance bond, and the Group will become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contracting works concerned.

FINANCIAL HIGHLIGHTS

Key Financials

	2021	2020
	HK$'M	*HK$'M*
Current assets	**3,068.4**	3,148.0
Current liabilities	**1,972.1**	1,791.8
Bank balances and cash	**801.7**	1,116.1
Net current assets	**1,096.3**	1,356.2
Total assets less current liabilities	**2,477.1**	2,077.9
Current ratio *(Note i)*	**1.6 times**	1.8 times
Gearing ratio *(Note ii)*	**13.7%**	N/A
Return on equity *(Note iii)*	**15.3%**	16.1%

Notes:

(i) Current ratio: Total current assets/total current liabilities

(ii) Gearing ratio: Total interest-bearing bank borrowing/total equity as shown in the consolidated statement of financial position x 100%

(iii) Return on equity: Net profit for the year attributable to the owners of the Company/average of opening and closing balances on total equity as shown in the consolidated statement of financial position x 100%

Human Resources

As of 31 December 2021, the Group had 2,559 employees in Hong Kong, Macau, Mainland China, and the United Kingdom.

The Group is firmly committed to continuously developing its workforce and maintaining an environment in which employees take pride in their work. We build an inclusive workplace and provide opportunities whereby staff can reach their full potential. Fundamental to our approach to achieving the Group's goals and attaining customer satisfaction is to attract and retain the best talent by offering a compelling employee value proposition that combines competitive pay and benefits with opportunities for learning and career growth. As an equal opportunity employer, the Group nurtures a culture that supports well-being and diversity, encourages collaboration and innovation, and values a shared commitment to our vision and mission.

Our remuneration policy aims to motivate employees to deliver strong sustainable business performance in line with the strategy. Remunerations of directors and senior management, recommended by the Remuneration Committee of the Board and approved by the Board, are subject to periodic reviews. Overall, remuneration of the workforce is linked to performance to share the fruit of success with employees, and ultimately to drive the achievement of business goals and shareholders' value. To assure this, the Group has in place a comprehensive system of goals setting and performance appraisal.

The Group prides itself on high ethical standards in serving customers and working with partners. Employees are to adhere to the Group's Code of Conduct, which is maintained to inform all employees.

Recognised for promoting work-life balance through a range of HR policies and practices, the Group won the "Top Workplace Companies Award – Gold" award and the "Best Family-friendly Employment Policy Award – Grand" award in 2021.

The Group will continue to invest in providing multi-disciplinary, project management, digitalisation, customer service, ethical and other relevant training to add value to the customers and encourage continuous professional and capability development.

OUTLOOK

The Group's liquidity remains strong and healthy with a low gearing ratio and strong recurring cash flows to provide the Group with the financial flexibility to take on additional projects and invest in the longer-term future of the business. Whilst the local economy recovered visibly during the reporting period, the pace of recovery was hampered towards the end of FY2021 by the fifth wave of COVID-19. Notwithstanding this, the outlook remains positive for the Group, which has been able to focus on our well-established foundation and innovative culture to sustain the operation through the uncertainties.

Significant investments in infrastructure are expected to drive the recovery of the economy and growth in Hong Kong. The government remains committed to urban development, with a steady increase of spending on public capital works projects totalling at least HK$100 billion in each of the coming years. Together with private sector development, the construction output in Hong Kong will reach about HK$300 billion per annum, including public and private housing, commercial development, a strong pipeline of infrastructure projects on the reclaimed land in Tung Chung, new towns in Hung Shui Kiu and Kwu Tung North, developments atop Siu Ho Wan MTR Depot in Lantau and around the Kam Sheung Road MTR station, and infrastructure development in the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop.

In addition, there are increasing infrastructure and associated development projects along new railway lines that will enhance connectivity in Tung Chung East and West, Tuen Mun, Kwu Tung, Northern Link, and Northern Metropolis. Other key projects include developing Lantau into an "Aerotropolis" connecting the Guangdong-Hong Kong-Macao Greater Bay Area, and district cooling systems at Hung Shui Kiu, Tung Chung, and Kwu Tung new development area.

The Group is well-positioned to capitalise on these growth opportunities and add value to our customers by leveraging our innovation, digital technology, and passion to deliver results more effectively, efficiently and sustainably.

The popular adoption of the IoT, big data and data analytics by many industries to enhance their business performance, is driving the growth of the data centres, for which Hong Kong is an ideal location enjoying a low risk of natural calamities, reliable electricity supply and close proximity to Mainland China. Already a leader in this growing sector of data centres, the Group is reinforcing our competitive advantage for future growth by adding new capabilities and expanding market availability to serve different customers.

Macau is to become a global leisure and tourism hub in the Greater Bay Area blueprint. This transformation presents a significant opportunity to all business segments of the Group. The recent amendments in the gaming laws, supported by the gaming industry, is expected to facilitate increased construction investment in Macau's resort, retail and entertainment facilities.

The coming years will see Hong Kong's continued development to become a smart and sustainable city with the next generation territory-wide connectivity to enable big data analytics, artificial intelligence, and IoT in urban applications. These business opportunities will allow the Group, supported by proprietary know-how developed by our Research and Development (R&D) team, to bring a myriad of benefits, such as more energy-efficient buildings, digitised solutions for enhancing operational efficiency, and improved delivery of healthcare and other services, through our customers for the betterment of Hong Kong.

Looking ahead, we anticipate that the post-pandemic norm will be an opportunity for our customers and the community to look for fresh thinking and new solutions for more sustainable operations and ways of living. The Group will stand ready to move forward with our customers and the community by leveraging our three pillars of "New Technology", "New Business Model" and "New Market", to help strengthen operations and maintenance (O&M), set new standards of excellence, achieve continuous improvement and adopt new technologies across all of our business segments, including hospital facilities, lifts and escalators, smart car park systems and Digital Twin technologies in water and wastewater plants.

With our widely recognised customer-centric approach, proven track record in deploying intelligent automation systems, and our state-of-the-art 'Predictive Maintenance and Remote Monitoring System', the Group is well positioned to be the O&M services provider of choice in established as well as new industries.

The Group's continuous R&D investment not only in IoT, AI, Big Data Analytics and Digital Twin, but also in the construction technologies of BIM, MiC and MiMEP and robotic solutions will help to better design, construct and operate important assets. Our investment will ultimately benefit our customers and the community by reducing cost, uplifting productivity, and improving safety, quality, and sustainability.

The Group will continue to focus on our fundamentals to overcome any challenges and uncertainties ahead, such as COVID-19. We will ensure the best practice that suits our business, proactively identifying and mitigating risks, for example, by carefully managing human resource availability and material cost fluctuations. We will also prudently manage foreign exchange exposure to hedge or minimise such risks.

We will seek, where appropriate, synergistic business partners to expand our footprint, open up new business opportunities and build new revenue streams. This is evidenced by the fruit of the Group's partnership with TEI and the establishment of our business operations in the United Kingdom.

Supported by our strong financial position and a strong pipeline of business opportunities emerging locally and internationally across the Greater Bay Area, Oceania and Europe, the Group will continue to create shareholders' value and business growth while contributing through our customers and stakeholders to the communities we operate in.

SECOND INTERIM DIVIDEND

The Board has resolved to pay a second interim dividend of HK7.25 cents per share (the "Share") of the Company for the year ended 31 December 2021 (the "Second Interim Dividend") to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company (the "Register of Members") as at the close of business on Tuesday, 19 April 2022. The Second Interim Dividend is expected to be paid to the Shareholders on or about Friday, 29 April 2022. Together with the first interim dividend of HK4.02 cents per Share paid on 29 September 2021, the total distribution of dividend by the Company for the year ended 31 December 2021 will thus be HK11.27 cents per Share, representing a dividend payout ratio of 50.2%.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining Shareholders' entitlement to the Second Interim Dividend, the Register of Members will be closed from Thursday, 14 April 2022 to Tuesday, 19 April 2022, both days inclusive, during which period no transfer of Shares will be registered. The Shares will be traded ex-dividend as from Tuesday, 12 April 2022. In order to be entitled to the Second Interim Dividend, Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration by no later than 4:30 p.m. on Wednesday, 13 April 2022.

For the purpose of ascertaining Shareholders' entitlement to attend and vote at the forthcoming annual general meeting of the Company (the "Annual General Meeting"), which will be held on Thursday, 16 June 2022, the Register of Members will be closed from Monday, 13 June 2022 to Thursday, 16 June 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the aforesaid branch share registrar and transfer office of the Company in Hong Kong, at the abovementioned address, for registration by no later than 4:30 p.m. on Friday, 10 June 2022.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from 12 July 2019, the listing date of the Company. During the year ended 31 December 2021, the Company has complied with all applicable code provisions set out in the CG Code.

REVIEW OF AUDITED ANNUAL RESULTS

The Audit Committee of the Company was established by the Board for the purposes of, among other things, reviewing and providing supervision over the Group's financial reporting process and internal controls. It currently comprises two independent non-executive directors and one non-executive director of the Company. The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2021.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting year.

PUBLICATION OF THE ANNUAL RESULTS AND 2021 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.atal.com). The Company's 2021 annual report containing all the information required under the Listing Rules will be dispatched to the Shareholders and will be published on the respective websites of the Stock Exchange and the Company in due course.

On behalf of the Board of
ANALOGUE HOLDINGS LIMITED
Dr. Poon Lok To, Otto
Chairman

Hong Kong, 25 March 2022

As at the date of this announcement, the executive directors of the Company are Dr. Poon Lok To, Otto, Mr. Law Wei Tak and Mr. Chan Hoi Ming; the non-executive director of the Company is Dr. Mak Kin Wah and the independent non-executive directors of the Company are Mr. Chan Fu Keung, Mr. Lam Kin Fung, Jeffrey and Mr. Wong King On, Samuel.