



Analogue Holdings Limited
安樂工程集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1977)

2025

Annual Report

About Analogue Holdings Limited

Established in 1977, Analogue Holdings Limited (stock code: 1977) (the “Company”) together with its subsidiaries (collectively the “Group”) is a leading provider of electrical and mechanical (“E&M”) engineering solutions and information and communications technology (“ICT”) services for smart cities, with headquarters in Hong Kong and operations in the Chinese Mainland, Macau, the United States, the United Kingdom, Germany, Singapore and Malaysia. Serving a wide spectrum of customers from public and private sectors, the Group provides multidisciplinary and comprehensive E&M engineering and technology services in four major segments, including Building Services, Environmental Engineering, Information, Communications and Building Technologies (“ICBT”) and Lifts & Escalators.

The Group also manufactures and sells lifts and escalators internationally and has entered into an alliance with Transel Elevator & Electric Inc. (“TEI”), one of the largest independent lifts and escalators companies in New York, the United States. The Group’s associate partner, Nanjing Canatal Data-Centre Environmental Tech Co., Ltd (603912.SS), specialises in precision environmental control technologies and related energy-saving and temperature control equipment for data centres.

Vision, Mission and Core Values



Vision

To be an innovative, leading and sustainable multidisciplinary E&M engineering and ICT service Group



Mission

To create shared value and attain full customer satisfaction through engineering excellence and talent development



Core Values



Trust



Integrity



Innovation



Customer Focus



Drive for Results



Safety



Sustainability

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Key Events in the Year 2025

Winning Record-high Contracts

Leveraging its proven engineering excellence, ATAL Engineering Limited has been awarded for two major contracts of the landmark project "Relocation of the Sha Tin Sewage Treatment Works to Caverns".



Securing recognition for Corporate Governance

Analogue Holdings Limited received "The Listed Enterprise Excellence Awards 2024 - Corporate Governance Award", organised by CAPITAL Magazine.



Upholding the Commitment to Engineering Safety

ATAL Engineering Group received the CLP COO Grand Award 2024, recognising its outstanding commitment to Health, Safety, and Environmental (HSE) excellence across its projects.



Smart Headquarters where Research Moves Forward

The opening of the ATAL Design, Research and Training Centre and the new headquarters, ATAL Tower, underscores ATAL's continued investment in the future and its leadership in R&D and talent cultivation, driving innovation, productivity, and the development of the engineering industry.



Revitalising Innovation, Shaping the Future of Building

The revitalisation of ATAL Tower was named Winner in the A&A and Conversion category at the Building Surveyor Awards 2025 and achieved BSA+ Accreditation, both conferred by the Hong Kong Institute of Surveyors.



Engineering a Low Carbon Future with Smart Tech

The revitalisation of ATAL Tower received the Gold Award in the "Excellent Intelligent Green Building Renovation" category at the Asia Pacific Intelligent Green Building Alliance (APIGBA) Renovation Awards 2025, organised by the APIGBA.



Key Events in the Year 2025

Globally Certified Software Excellence

ATAL Engineering Group has been appraised at Maturity Level 3 for software development of Capability Maturity Model Integration (CMMI).



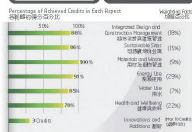
Elevating Hong Kong E&M to BMI Standard

ATAL Engineering Group was awarded the ISO 19650-2 by BSI Hong Kong, becoming the first E&M engineering group in Hong Kong to achieve this prestigious BIM standard.



hereby certifies that 特此證明
Proposed Office Conversion for ATAL Tower at 45-51 Kwok Shui Road, Kwai Chung, New Territories, Hong Kong
新界葵涌圍瑞路45-51號安樂工程大廈辦公室改建項目
 45-51 Kwok Shui Road, Kwai Chung, New Territories, Hong Kong
 香港新界葵涌圍瑞路45-51號

has achieved **Final Platinum** rating under BEAM Plus NB V2.0
 獲得綠建築新建築第(2.0版)最終白金級



Dr CHENG Tin-chung, SBS
 Chairman, Hong Kong Green Building Council Limited
 主席, 香港綠建築議會有限公司 主席
 陳錦輝醫生, 榮譽勳章

Issue Date: 16 December 2025 (Valid for 5 years)
 頒發日期: "二零二五年十二月十六日(有效期五年)"

Platinum Rating in Green Building Assessment

The revitalisation of ATAL Tower achieved the Final Platinum Rating under BEAM Plus New Buildings V2.0, conferred by the Hong Kong Green Building Council.



Driving ESG Impact Forward

Analogue Holdings Limited received the ESG Environmental Innovative Technology Award at the TVB ESG Awards 2025, in recognition of its excellence in green technology and sustainable development.



Caring Employer, Inclusive Workplace



ATAL Engineering Limited was recognised as a Disability Inclusive Employer (Level 2) under the “Caring Employer” Medal 2025, organised by the Labour and Welfare Bureau in collaboration with the Jockey Club Collaborative Project for Inclusive Employment, funded by the Hong Kong Jockey Club Charities Trust.

Enduring Social Value in Action

ATAL Engineering Limited and Analogue Holdings Limited were recognised as a Caring Company for 19 consecutive years and six consecutive years respectively by The Hong Kong Council of Social Service and were awarded the highest recognition level, “Leading Performance”.



Business Strengths

- **Record-high contracts-in-hand** driven by leadership in innovative MiMEP*.
- **85–90% adoption** improving coordination, safety, quality and duration.
- **“Zhuhai manufacturing, Hong Kong monitoring”** enables seamless coordination & cost-effective delivery.
- Expanded use of MiMEP*, DfMA*, BIM*, AI and Digital Twin **across different projects**.



Building Services

* MiMEP, DfMA, BIM stand for Multi-trade Integrated Mechanical, Electrical and Plumbing (“MiMEP”), Design for Manufacture and Assembly (DfMA) and Building Information Modelling (BIM)

- **Winning Contracts of a record-breaking value for** the relocation of the Sha Tin Sewage Treatment Works to Caverns.
- Bringing in various AI and Robotic technologies to **enhance operational efficiency, reliability and safety**.
- Explore business opportunities in the Chinese Mainland by a newly formed **joint venture company in Qingyang City**.
- **The Nanjing University – Hong Kong ATAL Smart Environmental Technology Centre** was set up to research and develop new sewage processes for future environmental standards.



Environmental Engineering

- **Offering intelligent building and green solutions** with ICT and building energy & management technology.
- Continue to reinforce its leadership in intelligent building and green solutions under the **DigiFusion brand**.
- **Broadening technological capabilities** through strategic collaborations with leading manufacturers in the Chinese Mainland and around the world.
- Enabling smarter, more sustainable urban environments that **enhance quality of life and transform living and working experiences**.



Information, Communications and Building Technologies

- **Machine-Room-Less lift products** continue gaining strong international market traction.
- Built a robust distributor network across **20 countries and six continents**.
- Continue to expand in the **Southeastern part of the US and the UK**.
- Nanjing factory has streamlined manufacturing processes, **broadened product portfolio, and enhanced product quality**.



Lifts and Escalators

Financial Highlights

	2025 HK\$'M	2024 HK\$'M
Value of outstanding contracts	17,878.7	11,052.7
Revenue	6,087.6	6,450.1
Gross profit	997.8	1,002.3
Gross profit margins	16.4%	15.5%
Profit attributable to owners of the Company	167.0	135.3
Basic earnings per share	HK\$0.12	HK\$0.10

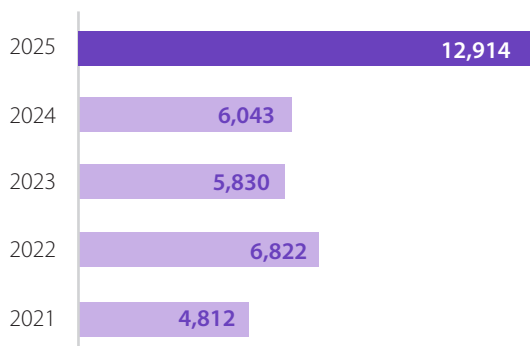
The Board has resolved to pay a second interim dividend of HK2.9 cents per share for the year ended 31 December 2025.⁽ⁱ⁾

- (i) The second interim dividend for the year ended 31 December 2025 of HK2.9 cents per share, in an aggregate amount of approximately HK\$40.6 million, is expected to be paid on or around 29 April 2026. Together with the first interim dividend of HK2.6 cents per share, paid in September 2025, total distribution of dividends made by the Company for the year ended 31 December 2025 will be HK5.5 cents per share, amounting to approximately HK\$76.9 million in aggregate.

ANALOGUE HOLDINGS – CONSOLIDATED

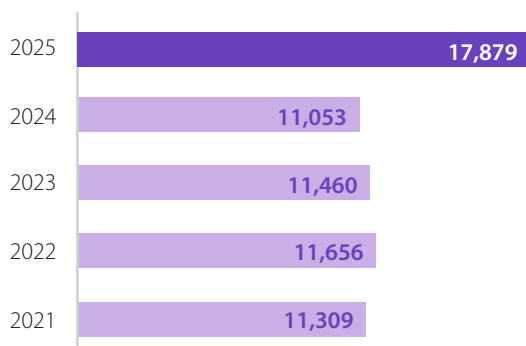
Order Intake

For the year ended 31 December
HK\$'M



Value of outstanding contracts

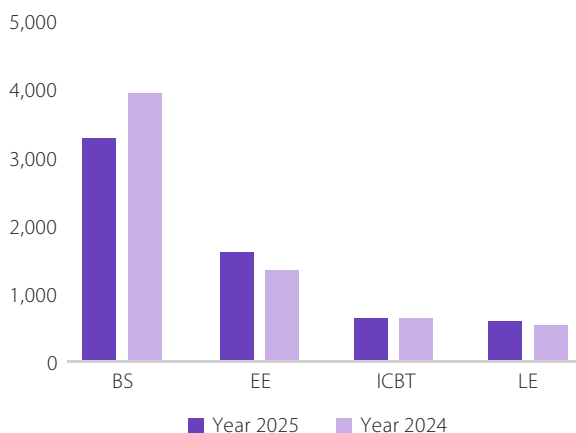
As at 31 December
HK\$'M



SEGMENT REVENUE AND SEGMENT PROFIT

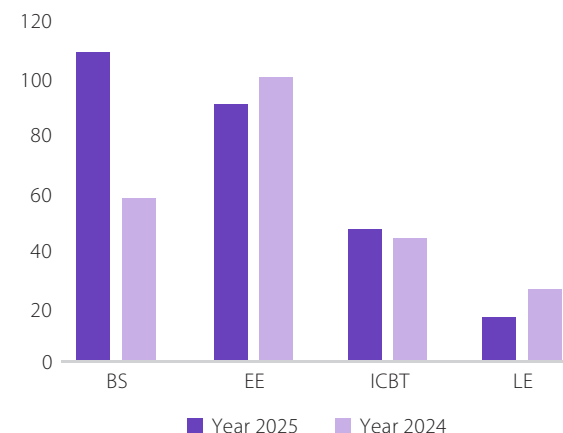
Segment Revenue

For the year ended 31 December
HK\$'M



Segment Profit

For the year ended 31 December
HK\$'M



Chairman's Statement



“The Group’s strong financial position supported by prudent financial management, enables the Group to take on additional work and seize high-value opportunities where appropriate, to maximise value for shareholders and stakeholders.”

The Year 2025 saw profound changes around the world, with challenges and yet also opportunities. Analogue Holdings Limited and its subsidiaries (collectively ‘The Group’ or ‘ATAL Engineering’) have continued to stride forward: upholding what we commit by delivering the fundamentals well, striving for continuous improvement to make transformation actionable, investing in technology advancement and productivity, and bringing Hong Kong’s engineering excellence to the world.

Our core Hong Kong market has continued to demonstrate resilience and vitality, with Government capital investment alone amounting to HK\$90-120 billion. There are varied opportunities in different segments driven by investment in healthcare, education, housing, the Northern Metropolis, renewal of existing assets and ongoing operation and maintenance needs. To capture these opportunities, ATAL Engineering leverages the comprehensive capabilities of our diverse business segments, to meet with agility the shifting market demands. We have also integrated manpower deployment across different business units and regions, to enhance productivity. In addition, we have continued to invest in enhancing our human capital through training, continual review of operational procedures, and reinforcement of shared values and performance management. These fundamentals ensure effective delivery and ultimately win the trust of our customers.

A milestone during the year was the commissioning of ATAL Tower, our intelligent headquarters. More than a modern workplace, it serves as a timely platform for making innovation actionable, enabling technologies that benefit employees to be implemented and encouraging solutions that create value for customers. The “ATAL Design, Research and Training Centre” established in ATAL Tower brings together customers and stakeholders to co-create practical solutions.

Chairman's Statement

In addition to our own Research and Development (R&D) team, ATAL Engineering collaborates closely with leading universities and technology partners. To reinforce the Group's position as a leading provider of comprehensive electrical and mechanical engineering and advanced technological services, we are targeting our investment in R&D at nurturing new productivity such as innovative construction techniques, driving advancement in digital and environmental technologies as well as broadening our lift and escalator product portfolio to suit different international markets.

With the presence we have established in the United Kingdom and the United States, we are building on our lift and escalator operation while exploring the feasibility to include a wider range of engineering services. In addition, by extending the engineering excellence we have developed in Hong Kong, one of the world's most demanding urban environments, we are pursuing different project opportunities in Europe, Asia and the Middle East.

The results achieved reflect the trust of our customers and partners, the dedication of our teams, and the support of our shareholders. The Group's strong financial position supported by prudent financial management, enables the Group to take on additional work and seize high-value opportunities where appropriate, to maximise value for shareholders and stakeholders. On behalf of the Board, I would like to express our heartfelt gratitude for their continuous support.

Dr. MAK Kin Wah

Chairman

Hong Kong, 27 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

Overview

The Group achieved a record-high contracts-in-hand of HK\$17,878.7 million as at 31 December 2025, which is 61.8% higher than the contracts-in-hand of HK\$11,052.7 million as at 31 December 2024. This was made possible by a 113.7% increase in order intake to HK\$12,913.6 million for the year ended 31 December 2025 ("FY2025") from HK\$6,043.3 million for the year ended 31 December 2024 ("FY2024"). Contracts were won across diverse sectors in hospitals, residential and commercial developments, Macau hotels, data centres, universities, environmental infrastructure, technology services, and lifts and escalators. In particular, a record-breaking contract was won for the relocation of Shatin sewage treatment works to caverns. These awards will provide a solid foundation for the business in the coming three years and beyond.

Leveraging with agility our comprehensive capabilities across the diverse business segments of Building Services, Environmental Engineering, Information, Communications and Building Technologies ("ICBT"), and Lifts and Escalators, the Group stayed active and focused in pursuing tender opportunities during the reporting period, submitting a total of 965 tenders or quotations each valued over HK\$1 million (FY2024: 1,177 tenders or quotations each valued over HK\$1 million).

The Group recorded a 23.5% increase in profit attributable to owners of the Company to reach HK\$167.0 million for FY2025 or HK\$31.7 million over the HK\$135.3 million for FY2024. One of the former offices (used prior to relocation to ATAL Tower) was disposed of during the year. Excluding a property value fluctuation of HK\$29.0 million relating to these offices, the adjusted profit attributable to owners of the Company for FY2025 would be HK\$196.0 million. This is 4.9% or HK\$10.0 million lower than the adjusted profit attributable to owners of the Company for FY2024 at HK\$206.0 million (after excluding a one-off expense of HK\$23.1 million before tax for our relocation of headquarters, and a provision for expected credit loss of HK\$88.0 million before tax to reflect the recoverability risks of certain receivables and contract assets held by the Group in relation to certain construction companies as at 31 December 2024).

The revenue generated by the Group for FY2025 amounted to HK\$6,087.6 million. Reflecting different phasing of projects, this is 5.6% or HK\$362.5 million lower than the revenue of HK\$6,450.1 million reported for FY2024. The consolidated gross profit for FY2025 was HK\$997.8 million, similar to HK\$1,002.3 million for FY2024.

The intake of new maintenance contracts for housing programmes, environmental projects, and lifts and escalators in FY2025 totalled HK\$1,669 million. With the renewal of major maintenance term contracts, this represents an increase of 51.4% or HK\$566 million, from HK\$1,103 million recorded in FY2024. Recurring maintenance revenue was steady at HK\$1,229 million during FY2025, close to that in FY2024 at HK\$1,230 million.

Management Discussion and Analysis

The Group maintained a strong cash position, with bank balances and cash of HK\$1,020.8 million as of 31 December 2025 (31 December 2024: HK\$1,035.9 million), with gearing reduced to 10.1% for FY2025 from 26.2% in FY2024, enabling the Group to take on additional work and other business opportunities arising in the market as appropriate.

ATAL Tower, our intelligent headquarters revitalised from an existing industrial building, became fully operational during the period. This strategic investment does not only unify all our operating units under one roof; it offers a real-world environment for advancing practical technology that benefits employees and encourages actionable innovation, realising cross-disciplinary collaboration, end-to-end technology integration across systems, and scalable solutions that create value for customers.

In particular, to address the pain points of labour shortage, ageing workforce and rising demand for quality in many regions, the Group is an early mover and leader in deploying the advanced construction technique of MiMEP (Multi-trade Integrated Mechanical, Electrical and Plumbing), integrating Design for Manufacturing and Assembly (DfMA), Modular Integrated Construction (MiC) and Building Information Modelling (BIM) with our own research and varied practical project experience. Factory-prefabricated electric & mechanical (E&M) works, enabled by such advanced technology and revamped engineering workflows, boost quality and safety while reducing on-site labour and time.

The advanced digital infrastructure in ATAL Tower allows seamless coordination between manufacturing in our MiMEP Design and Manufacturing Centre and High Productivity Research Centre in Zhuhai and real-time monitoring in Hong Kong, to pre-empt site issues before they arise, and facilitate early adoption of MiMEP that ultimately enhances win-win benefits for stakeholders.

To reinforce our differentiation and prepare the Group for leading in emerging business opportunities, we are conducting our own research & development (R&D) and collaborating with leading universities and technology partners to develop solutions with digital technology, artificial intelligence ("AI") and Internet of Things ("IoT"), energy optimisation, renewable energy, pilot liquid-cooling solutions for AI data centres, and other climate solutions and environmental engineering technologies.

The Group continues to build on opportunities in the United States ("US") and the United Kingdom ("UK"), and to explore other international markets. The Group's associate, Transel Elevator & Electric Inc. ("TEI"), one of the largest independent lifts and escalators companies in New York, secured the contract for the world-class vertical transportation system in the iconic 56-storey luxury hotel skyscraper on the border of Times Square, incorporating an observation deck and an amusement drop-ride. Furthermore, TEI continued to expand in the southeastern part of United States in 2025.

Building Services

The Building Services segment achieved a record-high level of contracts-in-hand totalling HK\$8,297 million as of 31 December 2025 (31 December 2024: HK\$5,107 million); this 62.5% increase represents a significant boost that provides a solid business foundation for the coming three years and beyond. Our competitive edge in multidisciplinary packaged projects, industry leadership in innovative MiMEP and other new engineering techniques and the market's confidence in our comprehensive capabilities, execution excellence and commitment were instrumental in securing major contracts. During the year, we secured varied significant new projects for hospitals in the Northern District, Lai King and Yuen Long; public and private residential developments; commercial projects in Tung Chung and other districts; hotel projects in Macau; data centres and university works.

The total value of new contracts secured in FY2025 was HK\$6,470 million, doubling the HK\$3,225 million recorded for FY2024. Revenue generated by the Building Services segment for FY2025 was HK\$3,279 million, 16.6% lower than that in the previous year (FY2024: HK\$3,933 million), largely due to different phasing of projects.

New maintenance contracts for housing programmes and modernisation projects were secured during the year, augmenting the large Management, Operation and Maintenance ("MOM") service contracts for mission-critical data centres that commenced the previous year.

With strategic investments to accelerate innovation and the establishment of modern manufacturing facilities in Zhuhai and Hong Kong, the Group continues to lead the industry in MiMEP and DfMA technologies. These facilities are now fully integrated with our headquarters, enabling real-time monitoring and seamless collaboration across regions.

Following the successful acquisition of a property management licence, we have expanded our business to deliver integrated solutions across the entire building lifecycle – from construction through maintenance and operations to long-term facility management – thereby creating a potential revenue stream that complements our core services.

Manpower across the various units within the Building Services segment has been integrated to enhance productivity and better respond to market needs, enabling more agile and efficient resource allocation among healthcare, infrastructure and building services projects, as well as across different regions.

Through continuous development of innovative technologies and operational optimisation, the Building Services segment is positioning itself to maintain the market competitiveness of its core business.

Management Discussion and Analysis

Environmental Engineering

The contracts-in-hand of the Environmental Engineering segment amounted to the record-high level of HK\$8,094 million as at 31 December 2025, representing an 86.9% increase from HK\$4,330 million as at 31 December 2024. The segment maintained active tendering throughout the period and was awarded significant contracts, including contracts of a record-breaking value to relocate sewage treatment works in Sha Tin to caverns, sewage pumping station at Ma On Shan, as well as variation orders under an existing water treatment works contract.

The segment secured a record-high order intake of HK\$5,355 million in FY2025, representing a significant 253.7% or HK\$3,841 million increase over the HK\$1,514 million for FY2024.

The Environmental Engineering segment recorded revenue of HK\$1,591 million in FY2025, 18.0% or HK\$243 million higher than the HK\$1,348 million for FY2024.

With increasing market demands, the Group has introduced AI-enabled Digital Twins and other innovative solutions under the ALGO brand in water, wastewater and solid waste design-and-build projects, as well as in operation and maintenance projects for E&M works. These integrated solutions support the operators in optimising operational decisions, extending asset life cycles and ensuring the high serviceability and resilience of environmental infrastructure in our communities.

Renewal of a major maintenance term contract was secured for mechanical and electric works for water supply facilities. Furthermore, a joint venture company was formed in Qingyang city to explore the operation and maintenance business in the Chinese Mainland.

In addition, the segment was seizing project opportunities in Asia and the Middle East, and exploring the expansion of its expert services into Europe.

The Nanjing University – Hong Kong ATAL Smart Environmental Technology Centre (南京大學 – 香港安樂智慧環境科技研究院) was set up in Nanjing University, to research and develop new sewage processes in anticipation of the future high environmental standard in municipal and industrial sectors.

Information, Communications and Building Technologies (“ICBT”)

The contracts-in-hand of the ICBT segment totalled HK\$852 million as at 31 December 2025, 11.2% lower compared with HK\$959 million as at 31 December 2024. Order intake was HK\$523 million for FY2025, 30.9% lower compared with HK\$757 million for FY2024, resulting from the different timing of major tender opportunities.

Revenue for the ICBT segment amounted to HK\$630 million in FY2025, 1.5% or HK\$10 million lower compared with HK\$640 million in FY2024.

The ICBT segment continued to reinforce its leadership in green and intelligent building solutions under the DigiFusion brand, powered by an integrated suite of advanced technologies. These include AI-enabled Digital Twin platforms, IoT applications, energy management and renewable energy systems, solar paver technology, high-efficiency HVAC systems, ESG dashboards, indoor environmental quality (IEQ) management solutions, automation and control systems, AI-driven video analytics, advanced security technologies, robotic applications and smart lampposts. Together, these innovations enable the development of smarter, more sustainable urban environments, enhancing quality of life, transforming how people live and work, and deepening their connection with the built environment.

One of the signature projects during the year was to deliver holistic digital and engineering solutions for a new Grade A commercial building in the heart of Causeway Bay. Integrating automation and control systems, security systems, IT networks and IoT infrastructure, the development is a showcase of digital and sustainable engineering excellence in Hong Kong and the surrounding regions. Meanwhile, the ICBT segment continued to leverage ATAL Tower as a platform for developing innovative technologies and demonstrating these solutions to customers.

We also continued to broaden our technological capabilities through strategic collaborations with leading manufacturers in the Chinese Mainland and around the world. These partnerships strengthen our ability to deliver scalable, high-performance solutions across a wide range of sectors, including ready-to-use BIM assets, IoT integration, AI-powered analytics and prefabrication technologies, and reinforce our position as a trusted provider of smart and sustainable engineering innovations.

Lifts and Escalators

The contracts-in-hand of the Group's lifts, escalators and moving walkways amounted to HK\$635 million as at 31 December 2025, being 3.2% or HK\$21 million lower compared with HK\$656 million as at 31 December 2024. Major contracts were received, including the renewal of a three-year term maintenance contract in Hong Kong, and projects in the UK.

The order intake of the Lifts and Escalators segment was HK\$566 million as at 31 December 2025, up 3.2% or by HK\$18 million from HK\$548 million in FY2024.

In parallel, the Group's associate, TEI, secured the contract for a world-class vertical transportation system in the iconic 56-storey luxury hotel skyscraper including an observation deck and an amusement drop-ride, on the border of Times Square in New York.

Revenue from the Lifts and Escalators segment (excluding TEI) was HK\$587 million in FY2025, an increase of 11.0% or HK\$58 million from HK\$529 million in FY2024.

Through continuous refinement and improvement, our Nanjing factory streamlined its manufacturing processes, broadened our product portfolio and strengthened the overall product quality. These enhancements align with our global vision and reaffirm our commitment to delivering reliable, high-performance vertical transportation solutions.

Management Discussion and Analysis

Our machine-room-less lift products continued to gain traction in key international markets, including the UK, driven by their space-saving design, energy efficiency, simplified installation and low maintenance requirements.

As one of the largest independent lift and escalator companies in New York, TEI further strengthened its market position by extending its footprint into the southeastern part of US during 2025. The Group also actively built on its presence in the UK and broadened its network across other international markets, reinforcing our global ambitions in vertical transportation solutions.

Innovation, Resources Management and Other Operational Initiatives

Innovation continues to be a strategic driver of the Group's sustainable growth and operational excellence. In a highly competitive, technology-driven market, we remain committed to applying advanced engineering methodologies and digital technologies to enhance quality, productivity and customer value while strengthening environmental performance and resource efficiency.

The Group further expanded the use of MiMEP, DfMA, BIM, AI and Digital Twin technologies across its operations. These solutions are integrated throughout the entire project lifecycle – from early-stage design through construction, to commissioning and long-term operations – enabling improvements in material utilisation, waste reduction, energy optimisation, safety and overall project delivery. Our leadership in MiMEP continues to set new industry benchmarks, achieving 85-90% adoption rates and contributing to improved project coordination, shorter construction durations, enhanced site safety and better end-product quality. These capabilities have been increasingly recognised by clients and contributed to key contract awards during the year.

The MiMEP Design and Manufacturing Centre and the MiMEP High Productivity Research Centre in Zhuhai expanded their support for projects across Hong Kong and the Greater Bay Area. Their digital connectivity with ATAL Tower through real-time monitoring systems enhances traceability, cross-regional collaboration and quality assurance, reinforcing our commitment to responsible and efficient operational practices.

Our unwavering commitment to R&D continued to strengthen our innovation capabilities. The ATAL Design, Research and Training Centre has become an active hub for collaboration, bringing together business partners, engineers, data specialists, and industry experts to co-create practical solutions. Through cooperation with leading universities, research institutions and technology partners, we accelerated the development of new construction methods, smart building and city applications, and advanced environmental technologies that support climate resilience and long-term sustainability.

AI-enabled Digital Twin platforms are now being deployed more broadly to simulate performance, optimise energy consumption, and support predictive maintenance in buildings, infrastructure and specialised industrial facilities.

Meanwhile, the Group's Smart Data Automation ("SDA") unit made solid progress in developing intelligent automation solutions for water treatment plants, sewage facilities and mission-critical infrastructure, including data centres, tunnel etc. SDA's portfolio now spans AI-based monitoring systems, predictive analytics and smart control platforms that enhance operational efficiency, reliability and safety.

In the year, we launched a series of training programmes based on Capability Maturity Model Integration (“CMMI”) and incorporated CMMI concepts into employee orientation. With these initiatives to enhance engineering discipline and process maturity for mitigating possible risks in the software development, the Group successfully achieved CMMI Maturity Level 3 certification for software development, validating that our development processes are robust, consistently executed and continuously improved, to ensure reliable, high-quality outcomes.

For protecting confidential data, the Group implemented a robust information security management system certified under ISO 27001 as well as formalised the Information Security Policy and Security Manual to set out the security standards that all staff must adhere to, to assure consistent and robust protection of information assets.

Mandatory cybersecurity training was offered to all Hong Kong employees. We also implemented ongoing awareness programmes and regularly shared targeted cybersecurity reminders to reinforce staff vigilance and readiness for mitigating potential cybersecurity issues.

The Group took proactive steps to set out an Artificial Intelligence (“AI”) Policy, to guide responsible use of AI. We also developed the ATAL Retrieval-Augmented Generation AI App which integrates multiple AI models and offers built-in tools to allow our employees to increase productivity while aligning with the Group’s cybersecurity standards.

To better serve market demands, our Mechanical Handling and Lifting Solutions Unit was restructured to encompass more comprehensive solutions in mechanical systems and lifting applications.

Our Lifts and Escalators segment continued to advance its vertically integrated business model – integrating design, manufacturing, installation and after-sales service – while developing new products to support its presence in the UK, US and other international markets.

To further enhance productivity and agility, the Group continued the strategic integration of resource deployment across business units and regions, particularly within the Building Services segment. This includes the consolidation of project teams, design expertise and manufacturing capabilities across Hong Kong and the Greater Bay Area (GBA). These cross-unit synergies improve responsiveness to market needs and enable faster project delivery.

Talent development remains a cornerstone of the Group’s long-term strategy. Additional support has been provided to managers to strengthen performance management across teams. The Group also continued to make use of government labour importation schemes to help ease industry-wide manpower shortages. New joiners receive structured onboarding and technical training to ensure alignment with our safety, quality and professional standards.

We continue to invest in our Graduate Trainee and Technician Trainee programmes, alongside extensive training for mid-career and senior professionals. Our commitment to technical excellence, leadership development and continuous learning ensures a strong talent pipeline, supporting the Group’s growth in Hong Kong, the GBA and overseas markets.

Management Discussion and Analysis

To improve operational efficiency and support scalable growth, the Group is upgrading its enterprise systems. The new enterprise resource planning (“ERP”) and enterprise performance management (“EPM”) platforms are currently under testing and optimisation, with full deployment targeted for 2026. These systems will streamline project management, vendor coordination, human resources, finance and administrative processes. They will strengthen data transparency, enhance decision-making and support seamless collaboration across the Group.

With a sustained focus on innovation, operational excellence and talent development, the Group is well positioned to navigate the evolving business landscape and capture emerging opportunities in Hong Kong, the Greater Bay Area (GBA) and international markets. We remain committed to delivering high-quality, sustainable solutions that create long-term value for our business partners, stakeholders and the wider community.

FINANCIAL REVIEW

In FY2025, the Group’s revenue was HK\$6,087.6 million, which was HK\$362.5 million or 5.6% lower than FY2024. Compared to FY2024, the lower revenue of HK\$654.1 million in the Building Services segment was partly offset by a higher revenue of HK\$243.3 million in the Environmental Engineering segment. Gross profit of HK\$997.8 million for FY2025, was close to that of FY2024 (HK\$1,002.3 million). The gross profit margin of 16.4% for FY2025 was 0.9 percentage point above that for FY2024 (15.5%), which was mainly attributable to the ICBT segment.

The Group’s profit attributable to owners of the Company was HK\$167.0 million in FY2025, representing a year-on-year increase of 23.5% when compared with FY2024 (HK\$135.3 million).

However, as disclosed above, when compared to the adjusted profit attributable to owners of the Company of HK\$206.0 million for FY2024, the adjusted profit attributable to owners of the Company for FY2025 in the amount of HK\$196.0 million, was 4.9% lower year-on-year.

In FY2025, the main adjustment item was a HK\$29.0 million loss relating to investment properties held by the Group, comprising a HK\$27.9 million fair value adjustment plus a HK\$1.1 million realised loss on disposal of investment properties.

In FY2024, there were two main items of adjustment: i) a provision for expected credit loss of HK\$88.0 million before tax to reflect risks with the recoverability of certain receivables and contract assets held by the Group in relation to certain construction companies, and ii) a one-off expense of approximately HK\$23.1 million before tax in relation to our relocation to the new consolidated headquarters.

The Group maintained a strong cash position and sufficient committed banking facilities to finance our growth and development. The Group’s bank balance and cash amounted to HK\$1,020.8 million as of 31 December 2025 (31 December 2024: HK\$1,035.9 million). The Group’s bank borrowings were reduced to HK\$234.0 million (31 December 2024: HK\$574.2 million).

Non-Generally Accepted Accounting Principles (“GAAP”) Financial Measures

To supplement the Group’s consolidated results prepared in accordance with HKFRS Accounting Standards, a certain non-GAAP financial measure, namely profit attributable to owners of the Company excluding (i) loss from change in fair value of investment properties in Hong Kong, (ii) loss on disposal of an investment property in Hong Kong, (iii) a provision for expected credit loss on certain receivables and contract assets, and (iv) a one-off expense in relation to relocation to the new consolidated headquarters, is presented. The Company’s management believes that the non-GAAP financial measure provides investors with a more meaningful view of the Group’s financial results. However, there are limitations to the use of this non-GAAP financial measure as an analytical tool. Non-GAAP financial measures should be viewed as supplement to, and not a substitute for, analysis of the Company’s financial performance prepared in accordance with HKFRS Accounting Standards.

Revenue

In FY2025, the Group reported a total revenue of HK\$6,087.6 million, representing a decrease of HK\$362.5 million or 5.6% when compared with FY2024. The decrease in revenue is mainly attributable to a decrease in revenue of the Building Services segment of HK\$654.1 million, which is partly offset by an increase in revenue of the Environmental Engineering segment of HK\$243.3 million.

Revenue from maintenance work for FY2025 amounted to HK\$1,228.5 million, representing 20.2% of total revenue, which is similar to that of FY2024 in the amount of HK\$1,230.1 million.

	For the year ended 31 December			
	2025 HK\$’M	% of total Revenue	2024 HK\$’M	% of total Revenue
Contracting work	4,753.3	78.1%	5,081.0	78.8%
Maintenance work	1,228.5	20.2%	1,230.1	19.0%
Sales of goods	105.8	1.7%	139.0	2.2%
Total	6,087.6	100.0%	6,450.1	100.0%

Gross Profit

Gross profit amounted to HK\$997.8 million for FY2025, which is similar to HK\$1,002.3 million in FY2024. Gross profit margin for FY2025 was 16.4%, representing an increase of 0.9 percentage point year-on-year, which is mainly attributable to the ICBT segment.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

The Group recorded an impairment loss under expected credit loss model, net of reversal, of HK\$19.3 million in FY2025 (FY2024: HK\$85.1 million). The substantial reduction in net impairment losses was primarily attributable to the one-off provision made in FY2024 relating to the recoverability of certain receivables and contract assets in relation to certain construction companies.

Management Discussion and Analysis

Other Income

The Group's other income in FY2025 was HK\$19.2 million (FY2024: HK\$26.0 million), the year-on-year decrease was mainly due to lower bank interest income resulting from a decrease in bank interest rate.

Other Gains and Losses

As for other gains and losses, the Group recorded a net loss of HK\$25.0 million in FY2025 (FY2024: net loss of HK\$28.9 million).

In FY2025, the main item was the HK\$29.0 million loss relating to investment properties held by the Group, comprising a HK\$27.9 million fair value adjustment plus a HK\$1.1 million realised loss on disposal, as compared to a HK\$3.6 million fair value adjustment reported in FY2024.

The Group has assets in British Pound ("GBP") and Renminbi ("RMB"). In FY2025 as both currencies appreciated against the Hong Kong Dollar ("HKD"), an exchange gain of HK\$7.1 million was recorded, compared to an exchange loss of HK\$4.6 million in FY2024.

In FY2025, there was no impairment loss reported for the Group's USA associate, compared a reported impairment of HK\$12.6 million in FY2024.

Administrative Expenses

The Group's administrative expenses increased by HK\$4.9 million or 0.7% to HK\$719.7 million in FY2025 (FY2024: HK\$714.8 million). Excluding the one-off expense in relation to our relocation to the new consolidated headquarters in FY2024, the year-on-year increase would be HK\$20.1 million or 2.9%, which is mainly attributable to annual salary increments.

Share of Results of Associates

The Group's share of loss from associates was HK\$23.7 million in FY2025, representing an increase in loss by HK\$18.0 million from FY2024.

In FY2025, our associate in the Chinese Mainland turned from profitable to loss making, primarily due to lower gross profit margins as well as an increase in expenses, our share of its results was a loss of HK\$9.3 million, compared to a profit of HK\$6.1 million in FY2024.

Liquidity and Financial Resources

The Group's finance and treasury functions have been centrally managed and controlled at the headquarters in Hong Kong. The Group maintained a healthy liquidity position throughout the year.

As at 31 December 2025, the Group's total cash and bank balances (excluding pledged bank deposits) amounted to HK\$1,020.8 million (31 December 2024: HK\$1,035.9 million), of which 79.2%, 16.7%, 1.8% and 2.3% (31 December 2024: 71.1%, 24.7%, 1.9% and 2.3%) were denominated in Hong Kong dollars or Macau Pataca, Renminbi, US dollars, and other currencies, respectively.

As of 31 December 2025, the Group had bank borrowings amounting to HK\$234.0 million, compared to HK\$574.2 million as of 31 December 2024. As of 31 December 2025, the only bank borrowing was a HKD denominated mortgage loan relating to ATAL Tower, and all other loans were repaid during FY2025. The mortgage loan is scheduled to be repaid by the end of the year 2041.

In addition, as at 31 December 2025, the Group had banking facilities in the form of bonds, bank overdraft and loans, and trade financing of approximately HK\$2,406.0 million (31 December 2024: HK\$2,703.2 million), of which approximately HK\$855.3 million had been utilised (31 December 2024: HK\$1,331.8 million).

Foreign Exchange Risk

The Group operates primarily in Hong Kong, Macau, the Chinese Mainland and the UK and is not exposed to significant foreign exchange risk. In FY2025, the Group further expanded its geographical footprint by establishing subsidiaries in Germany, Singapore and Malaysia. As these entities are still in the initial set up stage, foreign exchange exposure is considered minimal. The Group will continue to closely monitor our exposure to currency risk by reviewing fluctuations in foreign exchange rates.

The Group has entered into foreign currency forward contracts for 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 the Listing of the Company's Shares

The total net proceeds raised by the Company pursuant to the listing of the shares in the Company's global offering in 2019 amounted to approximately HK\$335.7 million (the "Net Proceeds"). As at 31 December 2025, the Group had utilised HK\$275.9 million of Net Proceeds. The Net Proceeds were not fully utilised in FY2025 and the unutilised Net Proceeds as at 31 December 2025 was approximately HK\$59.8 million, which is the same amount as disclosed in the Company's interim report for the six months ended 30 June 2025.

The management of the Group has decided to take a cautious approach when identifying business acquisitions and investment opportunities due to macroeconomic and geopolitical uncertainties. In view of such uncertainties, multiple factors will need to be taken into consideration before making decisions on acquisitions and investments. In the circumstances, the Group will continue to cautiously but proactively pursue suitable new business ventures and investment opportunities with the intention of fully utilising the Net Proceeds on or before 31 December 2027. The Board is of the view that such delay is non-material and there is no change in the intended use of the unutilised Net Proceeds.

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

Management Discussion and Analysis

The following table sets forth the original allocation, the revised allocation as of 31 October 2020. There is no utilisation in the year ended 31 December 2025:

	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 2024 HK\$'M	Unutilised amount of Net Proceeds as at 31 December 2024 HK\$'M	Utilised amount of Net Proceeds from 1 January 2025 to 31 December 2025 HK\$'M	Unutilised amount of Net Proceeds as at 31 December 2025 HK\$'M
Supporting the expansion and development of building services segment	67.1	34.6	42.4	42.4	-	-	-
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	40.9	-	-	-
Enhancing engineering capabilities of ICBT segment							
- Setting up dedicated research and development teams	19.3	6.0	13.3	13.3	-	-	-
- 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 the Chinese Mainland	13.0	-	-	-	-	-	-
- Expanding existing manufacturing facilities	-	-	67.1	67.1	-	-	-
Acquisition of, or investment in, companies	-	-	68.0	8.2	59.8	-	59.8
General working capital	33.7	31.8	8.4	8.4	-	-	-
Total	335.7	90.0	245.7	185.9	59.8	-	59.8

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 report.

Material Acquisition or Disposal of Subsidiaries, Associates and Joint Ventures

The Group did not make any material acquisitions or disposals of subsidiaries, associates, and joint ventures during the year.

Gearing Ratio and Indebtedness

As of 31 December 2025, the gearing ratio of the Group (being gross bank borrowings divided by total equity attributable to owners of the Company) reduced to 10.1% (31 December 2024: 26.2%) mainly due to repayment of revitalisation loans for ATAL Tower and also several short-term loans during year 2025.

Charges on Group Assets

The Group had pledged assets as security for general short-term banking facilities and the mortgage loan of ATAL Tower, totaling HK\$917.8 million as at 31 December 2025 (31 December 2024: HK\$968.1 million). Part of the Group's bank deposits were denominated in RMB. The year-on-year decrease in charges on group assets was mainly due to a reduction in fair value of investment properties as well as the depreciation of ATAL Tower.

Capital Commitments

As at 31 December 2025, the Group had capital commitments of HK\$11.9 million (31 December 2024: HK\$18.9 million) contracted but not provided for in the consolidated financial statements, including the acquisition of an enterprise resources planning system of HK\$10.5 million, expansion of the existing lift and escalator manufacturing facilities in Nanjing of HK\$1.3 million and renovation improvement work of ATAL Tower of HK\$0.1 million.

Contingent Liabilities

As at 31 December 2025, the Group had outstanding performance bonds of approximately HK\$562.8 million (31 December 2024: HK\$716.6 million), which were given by banks in favour of the Group's customers as security for the proper performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to these customers, the customers may demand the banks to pay them the sum or sums stipulated in the performance bond and the Group will be liable to compensate these banks accordingly. The performance bonds will be released upon completion of the relevant contracted work.

The Group engaged in lawsuits during our normal course of operations. As at 31 December 2025, there were a few legal proceedings related to these lawsuits outstanding against the Group. The Group has made adequate provision for any probable losses based on the current facts and circumstances.

Management Discussion and Analysis

FINANCIAL HIGHLIGHTS

Key Financials

	2025 HK\$'M	2024 HK\$'M
Current assets	3,719.5	3,699.4
Current liabilities	2,571.7	2,632.6
Bank balances and cash	1,020.8	1,035.9
Net current assets	1,147.8	1,066.9
Total assets less current liabilities	2,592.9	2,567.5
Current ratio (Note i)	1.4 times	1.4 times
Gearing ratio (Note ii)	10.1%	26.2%
Return on equity (Note iii)	7.4%	6.3%

Notes:

- (i) Current ratio: Total current assets/total current liabilities
- (ii) Gearing ratio: Total interest-bearing bank borrowings/equity attributable to owners of the Company as shown in the consolidated statement of financial position x 100%
- (iii) Return on equity: Profit attributable to owners of the Company/average of opening and closing balances on equity attributable to owners of the Company as shown in the consolidated statement of financial position x 100%

Human Resources

As at 31 December 2025, the Group employed 3,107 staff (including short-term staff) across Hong Kong, Macau, the Chinese Mainland, and the UK (31 December 2024: 3,149).

Safety has been our top priority. Operational procedures and work instructions are maintained and regularly updated, and reviews and experience sharing sessions are conducted to address work-related risks, including dynamic risk management, heat stress, working at height, and confined space operations. Our dedicated Task Force on Smart Site Safety System continued to enhance the integration of smart technology into our safety framework. Key initiatives included a smart safety harness system leveraging AI and IoT to improve protection when working at height; the adoption of robotic welding to enhance safety, efficiency, and environmental performance; and the use of advanced construction reality capture to support dynamic risk assessments and strengthen safe work practices.

To enhance vigilance, we carried out a series of additional fire safety inspections, focusing on both site condition and maintenance of fire service installation, to ensure compliance with all relevant regulations and standards. We also introduced a fire safety pledge between our project management teams and subcontractors which not only underlines key fire safety measures to be implemented, but also the disciplinary actions for non-compliance, demonstrating our determination to maintain fire safety in our operations.

Committed to upholding the highest standards of integrity and business ethics, we clearly communicate our Code of Conduct and related policies to employees, and reinforce this through operating procedures and ongoing training. Key training topics include the Prevention of Bribery Ordinance, the Competition Ordinance, cybersecurity awareness, the anti-discrimination ordinances, the Construction Workers Registration Ordinance, and the Personal Data (Privacy) Ordinance. We maintain robust systems for external and internal audits, whistle-blowing, cooperation with enforcement agencies, and the declaration and avoidance of conflicts of interest. Complaints and allegations are handled through a fair and impartial process that ensures accurate fact-finding and discourages malicious claims.

To safeguard data privacy and intellectual property rights, our Operation Manual outlines specific procedures for managing intellectual property, including patent protection for all products and software-related inventions, in full compliance with applicable laws and regulations of the regions in which we operate. We have implemented a comprehensive Personal Data and Privacy Policy to safeguard against the misuse of confidential, privileged or personal information entrusted to us; this policy outlines the obligations and procedures related to data collection, retention, access, and correction. All employees are required to sign the Intellectual Property, Employee Invention Confidential Information Agreement, and Staff's Declaration on Software Policies upon joining the Group. Violations may result in disciplinary measures, including termination.

To reinforce our core values and support our pursuit of excellence, the Group maintains a comprehensive goal-setting and performance appraisal framework. This is supported by competitive remuneration and incentive mechanisms to attract, retain, and motivate talent. Our remuneration policy rewards sustained performance and is aligned with accountability and business priorities. Remuneration packages for directors and senior executives are recommended by the Remuneration Committee and approved by the Board. Additional support has been provided to managers to strengthen performance differentiation, enabling us to recognise committed and high-performing employees who embody our vision and values. This approach strengthens organisational capability, promotes career development and supports the Group's long-term strategy and shareholder interests.

Since 1984, the Group has been running the Hong Kong Institution of Engineers ("HKIE") Graduate Training Scheme and the Vocational Training Council ("VTC") Apprenticeship Programme, demonstrating a long-standing commitment to developing local engineering professionals for the industry. This commitment is supported by our team of 27 HKIE Scheme A-accredited Engineering Supervisors (ES) who possess extensive industry knowledge and practical expertise, and provide comprehensive guidance across multiple disciplines at every stage of professional development – from graduate traineeship to chartership and beyond. Our dual focus on technical excellence and leadership development ensures a strong pipeline of competent professionals.

These structured training and mentorship initiatives have nurtured over 1,300 young engineers and technicians, many of whom have progressed within the Group to take up senior professional and leadership roles, contributing significantly to the industry and the wider community. In 2025, there were more than 130 young participants in our training programmes, which now span seven HKIE disciplines: Mechanical, Electrical, Environmental, Building Services, Energy, Electronics, and Control, Automation and Instrumentation. The curriculum has been further strengthened to cover safety, ethics, and social responsibility while outstanding trainees are offered an additional year of advanced training to broaden their skillset.

Management Discussion and Analysis

We encourage employees at all levels to pursue continuous learning that is aligned with our values of integrity, customer focus, leadership, and technical excellence. Our diverse training portfolio fosters a spirit of craftsmanship and equips colleagues to navigate a rapidly evolving environment. In 2025, the Group delivered 498 internal training courses, representing over 28,000 training hours. In recognition of our commitment to talent development, the Group was awarded the “Manpower Developer” designation for the period April 2024 to March 2026 by the Employees Retraining Board.

The Group promotes a fair and inclusive working environment. We offer flexible arrangements to support female staff, including the provision of nursing rooms, duty adjustments for pregnant employees, and dedicated support for women working on-site. We also welcome talent from ethnic minority and non-local backgrounds, balancing opportunities for local staff with the use of government labour importation schemes for the construction sector.

To foster a strong sense of belonging, the ATAL Recreational and Welfare Affairs (ARWA) Club organises a wide range of sports and social activities that promote a healthy and enjoyable workplace. The ARWA Club supports various sports teams, including dragon boat, bowling, badminton, basketball, and football.

Since its establishment in 1977, ATAL Engineering Group has been a pioneer in electrical and mechanical engineering in Hong Kong, guided by our passion for and commitment to serving clients and society. To further strengthen our community involvement, we established the ATAL Community Service Committee to oversee the planning and alignment of community initiatives. The Community Service Team implemented these community initiatives, focusing on meaningful contributions that leverage our professional strengths to create positive community impact. In 2025, we completed over 1,100 hours of community service, demonstrating our long-standing commitment to giving back to society.

OUTLOOK

The global strategic landscape and technological environment changed significantly during the year of 2025. Notwithstanding this, as economies navigated this ongoing transition, expectations were steadily adjusted. The Chinese Mainland remains resilient, advancing in key technologies, sustaining GDP growth, and supporting development with reform and targeted policies. The Hong Kong economy also remains resilient. The US economy continues to demonstrate strength while Europe maintains growth momentum albeit at a slower pace.

For Hong Kong’s construction industry, public sector activity is expected to remain strong, with government capital works projected at HK\$90-120 billion. Opportunities are emerging across multiple sectors, fuelled by continued investment in healthcare and education, the accelerated development of the Northern Metropolis, the renewal and life-cycle extension of existing assets, and ongoing operation and maintenance needs. This aligns with the Group’s record-high level of contracts-in-hand and robust volume of tendering activities undertaken. The significant contract awards secured in 2025 will fortify the Group’s business over the next three years and beyond. The record-high contracts-in-hand will progressively contribute to the revenue pipeline.

The Group will continue to stay agile and focused in capturing opportunities across our broad business portfolio. We will build on our competitive strengths by leveraging our comprehensive packaged capabilities and deepening the use of innovative construction technologies that enhance quality, reduce site time, and improve safety.

At the same time, with targeted investment in research and development, we will expand our advanced solutions to address emerging environmental and climate-related requirements. Rapid technological development and national strategies to promote smart city initiatives will also further stimulate demand for engineering solutions that incorporate artificial intelligence and advanced technologies.

The Group is well positioned to respond to these developments and opportunities. We will reinforce our differentiation as a leader in comprehensive E&M engineering as well as advanced technological services that support smart infrastructure, intelligent applications, and integrated systems.

With its presence already established in the UK, the US and other international markets, the Group will continue to pursue project and technical service opportunities in Europe, Asia and the Middle East. Our Lifts and Escalators business – spanning design, manufacturing, construction and after-sales service – will be progressively expanded through additional products, strategic partnerships, and further penetration into the southeastern regions of the US. We will also explore opportunities to broaden our overseas portfolio beyond lifts and escalators to include a wider range of engineering services. In identifying synergetic partnerships, the Group will take a prudent and selective approach, ensuring alignment with both local and global market strategies.

Supported by strong cashflow, the Group is well equipped to take on additional work where appropriate and to seize high-value opportunities as they arise.

Recognising that our people are the foundation of our long-term success, the Group remains committed to nurturing and developing talent to enhance productivity and competitiveness. The ATAL Design, Research and Training Centre will continue to serve as a key platform for cultivating expertise in smart technologies, demonstrating our confidence and continued investment in Hong Kong.

We firmly believe that creating added value for our customers is essential to earning their trust and sustaining enduring partnerships. Guided by our motto – **“We Commit. We Perform. We Deliver.”** – we will continue to maximise value for customers, shareholders, suppliers and stakeholders, while contributing to the communities we serve.

Board of Directors and Senior Management

EXECUTIVE DIRECTORS



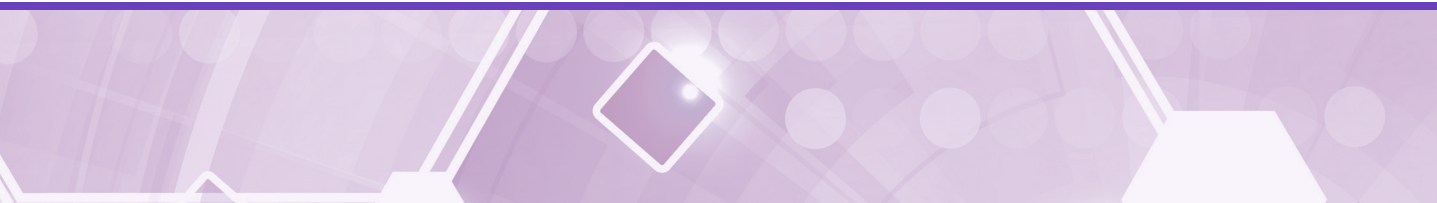
Dr. Poon Lok To, Otto (潘樂陶博士), aged 85, was appointed as a director of Analogue Holdings Limited (the “Company”) (the “Director”) on 27 September 1995 and re-designated as an executive Director on 13 April 2018. Dr. Poon is a director of certain subsidiaries of the Company. He had acted as Chairman of the board of Directors since July 2010 and stepped down as the Chairman with effect from 1 March 2024 and continues to serve as the Founder of the Company and its subsidiaries (the “Group”) and an executive Director.

As the Group’s Founder and a key member of the Board, Dr. Poon continues to provide invaluable advice and support to the Group after stepping down as Chairman and continues to contribute to the overall strategic planning and major decision making for the Group with special responsibility for the Lifts & Escalators business of the Group. Prior to 1 March 2024, Dr. Poon was in charge of developing, monitoring and evaluating the Group’s business, and was primarily responsible for the leadership, overall strategic planning and major decision making for the Group.

Dr. Poon has approximately 60 years of experience in the engineering business. He founded the Group in 1977. Prior to forming the Group, Dr. Poon worked in United Kingdom from 1964 to 1969 as a Design Engineer at English Electric Ltd. He returned to Hong Kong and had served as the chief engineer at Electra Instruments, Limited and Integrated Electronics Limited of the Integrated Electronic Group from August 1969 to August 1973, as a director at Eurotherm (Far East) Limited from 1973 to June 1975 and as the senior local staff at John Swire & Sons (H.K.) Limited in 1975.

Dr. Poon obtained an honorary degree of doctor of technology from the Coventry University in the United Kingdom in November 2011. He had passed Part III of the institution examination of the Institution of Engineering and Technology (“IET”) and Part I and II of the institution examination of the Institution of Mechanical Engineers (“IMechE”) in 1965 and 1966 respectively.

Dr. Poon is a chartered engineer of the Engineering Council. He is a fellow of the Hong Kong Institution of Engineers (“HKIE”), the Hong Kong Academy of Engineering (“HKAE”), the IET and the IMechE. Dr. Poon is also a member of the Chartered Institution of Building Services Engineers, the Chartered Institution of Water and Environmental Management and a senior member of the Chinese Mechanical Engineering Society (“CMES”). He was a founding fellow member of the Hong Kong Institute of Qualified Environmental Professionals.



Dr. Poon participated in public services both to the community and the engineering profession including, among others, Advisory Council on the Environment, Energy Advisory Committee, Council for Sustainable Development, Solicitors Disciplinary Tribunal Panel, Lift and Escalator Safety Advisory Committee, Hong Kong Quality Assurance Agency, Hong Kong Green Building Council, Trustee Board of the IMechE and Council of the CMES. He was the past president of the HKIE, Hong Kong Association of Energy Engineers, Hong Kong Chapter of the Association of Energy Engineers, the Hong Kong Federation of Electrical and Mechanical Contractors Limited (“HKFEMC”) and the HKAE, as well as the past chairman of Hong Kong Branch of the IMechE, Hong Kong Climate Change Forum and the School Advisory Committee of School of Energy and Environment of City University of Hong Kong. He was also an advisor to the Bauhinia Foundation Research Centre and an advisor to the Hong Kong Alliance of Technology and Innovation.

Currently, Dr. Poon is a member of the Election Committee – Engineering Subsector and the life president of HKFEMC. He is the honorary president of Hong Kong Fire Services Officers Association. He also serves as a member of the International Advisory Committee of Research Institute for Sustainable Urban Development of Hong Kong Polytechnic University, a member of the International Advisory Committee of Smart Cities Research Institute of Hong Kong Polytechnic University, a member of the Steering Committee of Research Institute for Climate-Resilient Infrastructure, which was established at The Hong Kong Polytechnic University in 2024, a member of the Advisory Committee of Department of Electrical & Electronic Engineering of the University of Hong Kong, a member of the Hong Kong Section of Hong Kong-France Business Council of Hong Kong Trade Development Council, a school manager of the Shun Tak Fraternal Association Cheng Yu Tung Secondary School, a school manager of the Shun Tak Fraternal Association Lee Shau Kee College and a Honorary Advisor of the Institution of Public Private Partnerships. He is the donor and supporter of the Otto Poon Center for Climate Resilience and Sustainability, which was established at The Hong Kong University of Science and Technology in 2025. He is also the Business Attraction Ambassador of Jiangning District* (江寧區招商大使).

Since August 2003, Dr. Poon has been a director of Nanjing Canatal Data-Centre Environmental Tech Co., Ltd, a company listed on the Shanghai Stock Exchange (stock code: 603912) and owned as to approximately 15.0% by the Company as at 27 March 2026.

Dr. Poon is the sole director of Arling Investment Limited which is the controlling shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), of the Company. For further details of the relationship between Arling Investment Limited and Dr. Poon, please refer to the section headed “Substantial shareholders/other person’s interests in securities” in the Report of the Directors of this annual report. In addition, Dr. Poon is the brother-in-law of Mr. Cheng Wai Keung, Peter, an executive Director and the chief financial officer of the Company.

* for identification purpose only

Board of Directors and Senior Management



Dr. Mak Kin Wah (麥建華博士), aged 69, was appointed as a Director and the Deputy Chairman on 1 September 2017. Dr. Mak was re-designated as a non-executive Director on 13 April 2018, acting in an advisory role in respect of overall strategic planning for the Group and serving as a member of each of the audit committee, the nomination committee and the remuneration committee of the Board as well as a director of a subsidiary of the Company. On 1 March 2024, Dr. Mak was redesignated as an executive Director and was appointed as Chairman

of the Board and, on the same date, he ceased to be a member of each of the audit committee, the nomination committee and the remuneration committee of the Board. Upon his appointment as Chairman, he is responsible for developing, monitoring and evaluating the Group's business, and for the leadership, overall strategic planning and major decision making for the Group.

Dr. Mak began his career as an engineer at Clough Engineering Group in Perth, Australia and has over 30 years of experience in business management. During his employment at Maunsell Consultants Asia in Hong Kong and before his departure in September 1980, he was involved in various development projects, including Hong Kong Island Eastern Corridor and mass transit escalators in Ocean Park. Dr. Mak joined The Hong Kong Jockey Club in March 1993 and later became the Executive Director of Corporate Affairs until January 2017. Dr. Mak's prior experience included leading the transformation of the Caritas Institute of Higher Education ("CIHE") to become Saint Francis University, serving as its President and concurrently the principal of Caritas Bianchi College of Careers ("CBCC") from 2017 to February 2024. Dr. Mak was appointed as a member of the Board of Governors and a member of the Council of Saint Francis University and CBCC in March 2024. He won the director of the year award of the Hong Kong Institute of Directors in 2009 and the 2013 excellent HR leader award of the Hong Kong Institute of Human Resource Management.

Dr. Mak obtained a master of business administration degree in May 1987 from City University, London, and a doctor of philosophy degree in May 1984 and a master of philosophy degree in December 1981 from University of Cambridge, United Kingdom. He also obtained a bachelor of engineering degree with first class honours in April 1980 from The University of Western Australia.

Dr. Mak is a member of the Hong Kong Institution of Engineers, the Institution of Civil Engineers and the Institute of Marine Engineering, Science and Technology. Dr. Mak is a member of the Labour Advisory Board and the Court of Baptist University. Dr. Mak is also the chairman of the Hong Kong Society for the Aged, the chairman of the English Schools Foundation, a general committee member of the Employers' Federation of Hong Kong, a member of the Hong Kong Housing Society, and a council member and chairman of the Programme Advisory Committee – People Management of the Hong Kong Management Association.



Mr. Chan Hoi Ming (陳海明先生), aged 65, was appointed as a Director on 25 November 2015 and redesignated as an executive Director on 13 April 2018. He was appointed as the chief executive officer of the Company with effect from 1 January 2023. Mr. Chan was appointed as a member of the remuneration committee of the Board and his appointment will take effect from 1 April 2026. He also serves as a director of various subsidiaries of the Company.

With his appointment as the chief executive officer, he oversees the operation of the corporate units and all the business units of the Group and is responsible for devising business strategies, driving innovations and fostering partnership with all stakeholders.

Mr. Chan joined the Group as a project manager in August 1991. He was appointed as a manager of the Environmental Engineering segment of the Group in January 1997, and was mainly responsible for the design, construction and testing and commissioning of the water, wastewater and solid waste treatment plants projects. In January 2001, Mr. Chan was promoted as an associate director of ATAL Engineering Limited, a wholly owned subsidiary of the Company and was primarily responsible for overseeing the electrical and mechanical (“E&M”) engineering design, project management and commissioning for wastewater and sewage treatment plant projects awarded to the Group. He was subsequently appointed as a director of various major operating subsidiaries of the Company during the period from February 2005 to July 2010. He was also appointed as the deputy chief executive of the Environmental Engineering segment of the Group in April 2015, overseeing the Environmental Engineering operations of the Group in Hong Kong, the Chinese Mainland and Macau, including the design, supply, construction, installation, testing and commissioning, operation and maintenance of municipal and industrial water, wastewater and solid waste treatment plants and related infrastructure projects.

Since January 2016, Mr. Chan has been acting as the chief executive of the Environmental Engineering segment of the Group and has been actively involved in devising business strategies for the development and expansion of the Environmental Engineering operations of the Group in Hong Kong, the Chinese Mainland and Macau, overseeing the project management and project execution for the Environmental Engineering segment, and leading the overall development and implementation of operational methodologies, guidelines and policies for the Group. Currently, Mr. Chan also leads the Environmental Engineering, and Information, Communications and Building Technologies businesses of the Group.

Board of Directors and Senior Management

Mr. Chan had previously worked as a project engineer at Chevalier (Envirotech) Limited, a company principally engaged in water and wastewater business in Hong Kong, from July 1986 to February 1988, where he was mainly responsible for tendering, product design, site installation and commissioning for sewage treatment projects. He joined Construction & Production Systems Limited, a construction company in Hong Kong, as a project manager from April 1988 to August 1989, and was in charge of the execution of contracts and commissioning of machinery and equipment. Mr. Chan also worked as a project engineer of the mechanical projects division at The General Electric Company of Hong Kong Limited, a supplier of electrical, mechanical and lighting products in Hong Kong, from September 1989 to January 1990 where his scope of works included tendering, project supervision and site co-ordination.

Mr. Chan graduated from The Hong Kong Polytechnic University with a higher diploma in electrical engineering in November 1984. Mr. Chan was certified by the Engineering Council of the United Kingdom on 29 July 1987 to have satisfied the academic requirements for stage 1 of the professional engineer section of The Engineering Council Register (commonly known as "EC Part II"). He also obtained a postgraduate diploma in environment management from the University of London in December 2001 as an external student.

Mr. Chan is a chartered engineer of The Engineering Council since 1998, a registered professional engineer of the Engineers Registration Board and a class 1 & 2 authorised signatory and qualified person of the Fire Services Department since 2016. Mr. Chan has also been a member of the Institution of Engineering and Technology since 1998, a member of The Chartered Institution of Water and Environmental Management since 1998, a member of the Chartered Institution of Building Service Engineers since 1999, and a fellow of The Hong Kong Institution of Engineers since 2015.

Mr. Chan is a school manager of C.C.C. Fung Leung Kit Memorial Secondary School since September 2024.

Mr. Chan is a director and the deputy chairman of Nanjing Canatal Data-Centre Environmental Tech Co., Ltd ("Nanjing Canatal") since December 2023 and was a supervisor of Nanjing Canatal from January 2016 to November 2023. Nanjing Canatal is a company listed on the Shanghai Stock Exchange (stock code: 603912) and owned as to approximately 15.0% by the Company as at 27 March 2026.



Mr. Cheng Wai Lung (鄭偉能), aged 53, has been appointed as an executive Director of the Company with effect from 1 January 2023. Mr. Cheng is also the managing director leading the Group's businesses relating to the Building Services segment and the Building Information Modelling segment with effect from 1 January 2023. Mr. Cheng also serves as a director of various subsidiaries of the Company. Prior to his appointment as an executive Director, he had been serving as chief executive of the Building Services segment of the Group since November 2018.

Mr. Cheng started his career as a graduate trainee with the Group in 1995 and rejoined the Group in November 2018. In between, he had served in China Overseas Group companies for 16 years, having taken up the roles of deputy general manager in China State Mechanical and Electrical Engineering Limited and general manager of Transcendence Company Limited. With over 30 years of experience in building services industry and a wealth of management and engineering expertise, he is currently responsible for the operation and business development of the building services business of the Group.

Mr. Cheng holds a bachelor degree of Engineering (Hons) in Building Services Engineering, a master degree in Construction and Real Estate from The Hong Kong Polytechnic University and a master of business administration degree from The Open University of Hong Kong.

Mr. Cheng is a chartered engineer of the Engineering Council in the United Kingdom, a Registered Professional Engineer (Building Services and Energy Disciplines) of the Engineers Registration Board, a Chartered Environmentalist of the Society of the Environment, a BEAM Professional, a RCx Professional, a Registered Energy Assessor, a CIC-Certified BIM Manager and BIM Coordinator, a NEC ECC Project Manager and NEC4: DBO Service Manager, a Certified ESG Planner; HKIE – Engineering BIM Professional (Eng BIM Pro) and Engineering BIM Coordinator (Eng BIM Coord) and is an assessor in such profession. He is also a fellow member of each of The Hong Kong Institution of Engineers; The Chartered Institution of Building Services Engineers; The Society of Engineers; The Chartered Institute of Plumbing and Heating Engineering; and the Building Services Operation and Maintenance Executives Society. He also possesses the registered professional qualifications of registered public facility engineer (HVAC), registered public facility engineer (water supply and drainage), and Class 1 constructor (limited to engaging in engineering projects corresponding to the business of companies registered in Hong Kong) issued by the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of China* (中國前海深港現代服務業合作區管理局) and he is a registered public facility engineer and registered constructor within the registered business scope published by the Urban Planning and Construction Bureau of Guangdong-Macao In-depth Cooperation Zone in Hengqin, China* (中國橫琴粵澳深度合作區城市規劃和建設局).

Mr. Cheng was the chairman of the Building Services Division and was a member of Learned Society Board of The Hong Kong Institution of Engineers (2018-2019). He is currently the Council member, Deputy Chairman and appointed member of the Building Services Discipline Advisory Panel and the Deputy Chairman and appointed member of Professional Assessment Committee of The Hong Kong Institution of Engineers, the Honorary Technical Advisor of The Chartered Institute of Plumbing and Heating Engineering – Hong Kong Branch, a member of Industry Liaison Committee for the University of Central Lancashire, UK, BEng (Hons) in Building Services and Sustainable Engineering Top Up Degree Programme of the Hong Kong Institute of Vocational Education, a member of assessment panels of the CIC BIM Certification and Accreditation Schemes, a member of Trade Advisory Panel on Fire Service System under the Construction Industry Training Board, a member of the Municipal Services Appeals Board, a member of the Examination Committee for Registration as a Grade C Electrical Worker, a member of the RCx Training Registration Committee, a member of Programme Industry Advisory Committee (PIAC) of Applied Degree programme on BEng (Hons) in Building Services Engineering of Technological and Higher Education Institute of Hong Kong ("THEi"), an external examiner of Professional Diploma Meister in Power Electrical Engineering of THEi, and an external examiner of Higher Diploma of Building Services Engineering of Vocational Training Council – the Hong Kong Institute of Vocational Education. He ceased to be a member of the Appeal Tribunal Panel (Buildings) under the Building Ordinance (Chapter 123 of the Laws of Hong Kong) with effect from 30 November 2025.

* for identification purpose only

Board of Directors and Senior Management



Mr. Cheng Wai Keung, Peter (鄭偉強先生), aged 62, was appointed as the chief financial officer (designate) of the Company on 16 September 2019 and took up the role of chief financial officer on 1 January 2020. Mr. Cheng was appointed as an executive Director on 1 March 2024. He is also a director of certain subsidiaries of the Company.

Mr. Cheng has extensive experience working as chief financial officer in overseas markets such as Europe, the Middle East, Africa and Latin America. Prior to joining the Group, Mr. Cheng served as the chief financial officer of Hutchison Ports (Panama) and Hutchison Ports (Tanzania) within Hutchison Ports from 2013 to 2018. From 2011 to 2012, Mr. Cheng served as the finance director of PCCW Cascade Middle East Ltd. For over 10 years before 2011, Mr. Cheng held various roles as chief financial officer or finance director in the United Kingdom for various companies, namely Virgin Media Business (previously known as ntl: business), Aqiva (previously known as ntl: Broadcast), Multitone Electronics plc, i3 Group, etc.

Mr. Cheng graduated from the University of Liverpool with a bachelor degree in Mechanical Engineering in 1986. Mr. Cheng is also a fellow of the Chartered Institute of Management Accountants in the United Kingdom.

Mr. Cheng is the brother-in-law of Dr. Poon Lok To, Otto, the Founder of the Group, an executive Director and the controlling shareholder (as defined in the Listing Rules) of the Company.

NON-EXECUTIVE DIRECTOR



Ms. Or Siu Ching, Rerina (柯小菁), aged 56, has been appointed as a non-executive Director with effect from 1 April 2023. Ms. Or was appointed as a member of each of the audit committee, the nomination committee and the remuneration committee of the Board with effect from 1 March 2024. She has resigned as a non-executive Director with effect from 1 April 2026, after expiry of her term of appointment, and would cease to be a member of the aforesaid committees on the same date.

Ms. Or was a senior vice-president of Schneider Electric SE (collectively with its subsidiaries "Schneider Electric"), a company listed on the Euronext Paris Stock Exchange (Stock Code: SU), between 2019 and 2021. She joined Schneider Electric in 1994 and retired after 27 years of services. She held various senior management positions with Schneider Electric, including the director and president of Schneider Electric (Hong Kong) Limited, a wholly owned subsidiary of Schneider Electric, between 2015 and 2019, a vice president of global purchasing of Schneider Electric between 2012 and 2014, the president of Schneider Electric Taiwan Co., Ltd. between 2008 and 2011 and the director of certain subsidiaries of Schneider Electric.

Ms. Or was appointed as a member of Energy Advisory Committee of Environment Bureau of The Government of Hong Kong Special Administrative Region between 2016 to 2022. She has more than 20 years' management experience in energy management and automation industry.

Ms. Or resigned as an independent non-executive director of Automated Systems Holdings Limited ("ASHL"), a company listed on Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 771), on 18 September 2025, and ceased to be a member of the audit committee, the nomination committee and the remuneration committee of ASHL.

Ms. Or holds an Executive Master's Degree in Business Administrative from the Kellogg School of Management at Northwestern University in the United States of America and the Hong Kong University of Science and Technology, and a Master's degree of Science in Management from ESSEC Business School of Management in France.

Board of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS



Mr. Chan Fu Keung (陳富強先生), aged 77, was appointed as an independent non-executive Director on 1 August 2015. He is also the chairman of the remuneration committee of the Board and a member of each of the nomination committee and the audit committee of the Board.

Since his appointment as an independent non-executive Director on 1 August 2015, Mr. Chan has been providing independent advice to the Group on various areas, particularly on the Group's employee incentive scheme, remuneration policies and organisation structure.

Mr. Chan joined the MTR Corporation Limited (Hong Kong stock code: 66) (the "MTR Corporation") in 1989. He was the human resources director of the MTR Corporation from 1998 to 2012 and a member of its executive directorate from 1996 to 2012. He retired after 23 years of service at the MTR Corporation in July 2012. Prior to joining the MTR Corporation, Mr. Chan held senior management positions in various commercial, utility and public sectors in Hong Kong, including the Hong Kong Government, the Hong Kong Productivity Council, Hutchison Whampoa Limited and Hong Kong Telephone Company Limited. In early 1976, he joined Hutchison Whampoa Limited and became its remuneration manager in May 1981. Mr. Chan subsequently joined Hong Kong Telephone Company Limited in April 1983, where he was involved in a wide spectrum of human resources functions, including development and review on human resources policies, remuneration, employee incentive and benefits schemes.

Mr. Chan was a council member of the Hong Kong Institute of Human Resource Management and has been its fellow member since 1985. He served the Hospital Authority Board from December 2012 to November 2018 and was the chairman of the Hospital Governing Committee of Tuen Mun Hospital from April 2014 to March 2020. He retired from his position as the Trustee of the Hospital Authority Provident Fund Scheme on 1 July 2020. Mr. Chan also retired as a member of the remuneration committee of the board of the West Kowloon Cultural District Authority on 31 December 2023 after serving the committee for nine years. He retired as a director of CUHK Medical Centre Limited in 2025.

Mr. Chan is a member of the Grantham Hospital Governing Committee. Currently, he is a member of Human Resources and remuneration committee of the Urban Renewal Authority. He was appointed as a non-executive director of the Urban Renewal Authority Board for 3 years from 1 December 2020 to 30 November 2023 and has been re-appointed for another term of three years from 1 December 2023 to 30 November 2026.

Mr. Chan received a bachelor of social sciences degree from The University of Hong Kong in October 1971.

Mr. Chan has been an independent non-executive director of Stella International Holdings Limited, a company listed on Main Board of the Stock Exchange (Stock Code: 1836), since September 2012, and is the chairman of its remuneration committee, and a member of each of its audit committee, corporate governance committee and nomination committee.



Mr. Lam Kin Fung, Jeffrey (林健鋒先生), aged 74, was appointed as an independent non-executive Director on 1 May 2018. He is also the chairman of the nomination committee of the Board. Mr. Lam was appointed as a member of the audit committee of the Board and his appointment will take effect from 1 April 2026.

Mr. Lam obtained a bachelor degree in mechanical engineering from Tufts University in the United States in June 1974. He has over 30 years of experience in the manufacturing industry and is currently the chairman of Forward Winsome Industries Limited, which is engaged in toy manufacturing.

Mr. Lam is a non-official member of the Executive Council in Hong Kong. He also holds a number of other public and community service positions including being a member of the board of directors of Heifer International-Hong Kong and a member of the Hong Kong Tourism Board. He was appointed as the chairman of the Vocational Training Council (VTC) and a council member of the Hong Kong General Chamber of Commerce, both with effect from 1 January 2026. Mr. Lam was a member of the 13th National Committee of the Chinese People's Political Consultative Conference ("CPPCC"). With effect from 31 December 2025, he ceased to be a member of the Legislative Council in Hong Kong and a general committee member of the Hong Kong General Chamber of Commerce.

Mr. Lam currently holds the following positions in the following companies listed on the Main Board of the Stock Exchange:

Company Name	Stock code	Period	Role(s)
CC Land Holdings Limited	1224	Since June 1998	Independent non-executive director Chairman of the audit committee, member of each of the nomination committee and the remuneration committee
China Overseas Grand Oceans Group Limited	81	Since May 2010	Independent non-executive director Chairman of the remuneration committee, member of each of the audit committee and the nomination committee

Board of Directors and Senior Management

Company Name	Stock code	Period	Role(s)
CSC Holdings Limited	235	Since December 2020	Independent non-executive director Chairman of the remuneration committee, and member of audit committee
Chow Tai Fook Jewellery Group Limited	1929	Since November 2011	Independent non-executive director Chairman of the nomination committee and member of each of the audit committee and the remuneration committee
CWT International Limited	521	Since October 2013	Independent non-executive director Member of each of the audit committee, the nomination committee and the remuneration committee
Golden Resources Development International Limited	677	Since April 2024	Independent non-executive director Member of each of the nomination committee and remuneration committee
i-CABLE Communications Limited	1097	Since September 2017	Independent non-executive director Chairman of the compensation committee and member of the nomination committee
Wing Tai Properties Limited	369	Since June 2018	Independent non-executive director Member of the nomination committee
Wynn Macau, Limited	1128	Since September 2009	Independent non-executive director Chairman of the nomination and corporate governance committee and member of the remuneration committee



Ms. Shing Mo Han, Yvonne (盛慕嫻女士), (alias Mrs. Yvonne Law), aged 70, was appointed as an independent non-executive Director immediately after the conclusion of the annual general meeting of the Company held on 27 June 2023.

Ms. Shing was appointed as a Justice of Peace of the Hong Kong Special Administrative Region of the People's Republic of China (the "HKSAR") in 2013 and awarded the Bronze Bauhinia Star by the HKSAR government in 2017. Ms. Shing was a member of the 10th, 11th and 12th Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference.

Ms. Shing's current appointments include member of Hong Kong Deposit Protection Board, member of the Board of Governors of EXCEL (Extension and Continuing Education for Life) of The Hong Kong Academy for Performing Arts ("HKAPA"), court member of the Hong Kong Polytechnic University, advisor and member of the Finance Committee of Our Hong Kong Foundation and an independent non-executive director of Hong Kong International Theme Parks Limited.

Ms. Shing was a partner at Deloitte Touche Tohmatsu/Deloitte China for over 26 years until May 2016. She is currently the chairman of Yinn Advisory Services Limited. Her professional qualifications include fellow member of the Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants and the Hong Kong Chartered Governance Institute (formerly known as Institute of Chartered Secretaries and Administrators). Ms. Shing graduated from the Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University) and obtained a Higher Diploma in Accountancy and was awarded the 2016/2017 Honorary University Fellow of the Hong Kong Polytechnic University. Ms. Shing sat on a number of the HKSAR statutory committees, including, a council member of the Hong Kong Polytechnic University, a council member and Treasurer of the HKAPA, a member of the Citizens Advisory Committee on Community Relations and Corruption Prevention Advisory Committee of the Independent Commission Against Corruption, a member of the Antiquities Advisory Board and Advisory Committee of Revitalization of Historic Buildings, and a member of the Hospital Authority.

In 2006, Ms. Shing was named as one of the China's National Hundred Outstanding Women Entrepreneurs by China Association of Women Entrepreneurs (中國女企業家協會). She also received the Outstanding Alumni Award of Hong Kong Polytechnic University in 2007. Ms. Shing has been consecutively named from 2001 to 2015 in International Tax Review as one of the World's Leading Tax Advisors in Hong Kong and the Chinese Mainland. She is also a founding member and former president of the Association of Women Accountants (Hong Kong) Limited.

Ms. Shing is currently an independent non-executive director of the following companies listed on the Stock Exchange: CSSC (Hong Kong) Shipping Company Limited (stock code: 3877) and AEON Credit Service (Asia) Company Limited (stock code: 900).

Board of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Chan Chi Hung (陳志雄先生), aged 60, has been appointed as the chief executive of the Information, Communications and Building Technologies segment of the Group since April 2020, and is primarily responsible for overseeing the information and communications technology (“ICT”), energy management, intelligent and green building business of the Group.

Mr. Chan has more than 30 years of experience in building technologies specialising in building management system, security system, ICT system, Extra Low Voltage (“ELV”) system, energy management, lighting system and air-conditioning system. He has also been responsible for the design, installation, engineering and maintenance of large-scale intelligent building systems contracts in Hong Kong and Macau.

Mr. Chan started his career in the control and building automation business in the Group in 1989. He was promoted as a manager of the intelligent building systems division of the Information, Communications and Building Technologies segment of the Group in 1996, and was primarily responsible for overseeing its sales, installation, engineering and maintenance operations of the intelligent building systems division. He was further promoted as a director of the intelligent building systems division of the Group in 2010, and was primarily responsible for overseeing the intelligent systems, ELV, energy saving and green technologies business of the Group. He was then appointed as a director of the Information, Communications and Building Technologies segment in March 2017.

Mr. Chan graduated with a master of business administration in general management degree from the Hong Kong Polytechnic University in December 2007. He also obtained a bachelor of science degree in engineering from The University of Hong Kong in December 1989 and a diploma in marketing and international business from The Chinese University of Hong Kong in November 1993.

Mr. Chan is a member of the Hong Kong Institution of Engineers and the American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE). He is currently a registered professional engineer of the Engineers Registration Board. He is also a BEAM (Building Environmental Assessment Method) professional in Hong Kong.

Mr. Chan is currently a council member and was the past president of Hong Kong Air-conditioning and Refrigeration Association Limited. He is also a council member of, and the chairman of the Innovation & Productivity Committee of, Hong Kong Federation of Electrical & Mechanical Contractors Limited. Mr. Chan is currently a member to the Task Force on Artificial Intelligence of Construction Industry Council and a member of the Appeal Panel (Housing).

Mr. Cheung Ha Ming (張夏明先生), aged 57, has been a chief executive, Lifts and Escalators (Greater China) of Anlev Elex Elevator Limited, a wholly-owned subsidiary of the Company, since April 2021, and oversees the Greater China operations of the Lifts and Escalators segment of the Group.

Mr. Cheung started his career as an assistant engineer in the maintenance department of Goldstar Industrial Systems (HK) Limited during 1993 to 1995. He served Otis Elevator Company (H.K.) Limited from 1995 to 2004 and his last position with this company was senior engineer-field support of the new equipment department. Later in 2004, he joined Kone Elevator (HK) Limited as a technical sales manager, and his last position with this company was senior sales operations manager. He joined ThyssenKrupp Elevator (HK) Limited in 2010 as the head of new installation and modernisation until joining the Group in June 2015 as an associate director of Anlev Elex Elevator Limited. He became a director of Anlev Elex Elevator Limited in June 2016 and was promoted as chief executive, Lifts & Escalators (Greater China) in April 2021. He serves as a director of certain subsidiaries of the Company.

Mr. Cheung obtained a master degree of business administration from City University of Hong Kong in November 2002 and a bachelor degree of engineering (honours) in mechanical engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in 1993.

Mr. Cheung is a chartered engineer of the Engineering Council in the United Kingdom, a registered lift engineer, a registered escalator engineer in Hong Kong and a member of each of the Hong Kong Institution of Engineers, the Institution of Mechanical Engineers and The International Association of Elevator Engineers. He has been elected as the president of The Lift & Escalator Contractors Association since April 2025 and the vice president of The Hong Kong Federation of Electrical and Mechanical Contractors Limited since October 2025.

Mr. Lai Kam Hung (黎錦雄先生), aged 57, joined the Group as chief executive of the Environmental Engineering segment in July 2020. He is mainly responsible for devising business strategies for the development and expansion of the Environmental Engineering operations of the Group in Hong Kong, the Chinese Mainland, Macau and overseas. He is also responsible for overseeing the management and execution of projects in the Environmental Engineering operations of the Group, including the design, procurement, construction, installation, testing and commissioning, operation and maintenance of the municipal and industrial water, wastewater, solid waste, waste-to-energy treatment plants and related infrastructure. Since 2023, he has led a team to apply Artificial Intelligence (AI) and big data to different types of infrastructure projects and has monitored a team to develop new business related to lifting appliance, automatic transportation and storage system.

Since April 2022, Mr. Lai also serves as a director of various subsidiaries of the Company. He currently acts as a director of ATAL Engineering Limited, ATAL Engineering (Macao) Limited, Analogue Technical Agencies (Shanghai) Limited and ATAL Engineering (Shanghai) Limited, and as a managing director of ATAL Environmental Engineering (Europe) GmbH.

Board of Directors and Senior Management

Mr. Lai worked in WSP (Asia) Limited for 30 years before he joined ATAL Engineering Limited. He had actively participated in large-scale infrastructure projects in Asia, Middle East, Australia, New Zealand, USA, Brazil, etc. From 2007 to 2009, he was the Manager of the WSP Chongqing office to overseeing the office operation and develop the consultancy business in the Chinese Mainland. From 2013 to 2016, he was stationed in Singapore as a project manager in WSP for LTA contract E1006 mechanical and electrical (M&E) consultancy services for proposed Eastern Region Line Stations to oversee the project management and the design of the M&E system for 10 stations and their associated tunnels or elevated structures. Since 2017, he was a director of the infrastructure business segment and was responsible for the contractors' designer during the tender stage and/or post-tender stage for the Tseung Kwan O desalination plant (phase 1), organic waste treatment plant (phase 2) and integrated waste management facilities (phase 1).

Mr. Lai obtained a bachelor of science in engineering degree (mechanical engineering) in 1990 and a master of science in environment management in January 1995 from The University of Hong Kong. He is a fellow member of The Hong Kong Institution of Engineers and The Institution of Mechanical Engineers in United Kingdom. He is also a life senior member of The Chinese Mechanical Engineering Society. Mr. Lai is a Registered Professional Engineer (Mechanical Discipline) (under the Engineers Registration Board), and a chartered engineer of the Engineering Council in the United Kingdom. He obtained his NEC4: ECC Project Manager Accreditation in 2019 and renewed it in 2024. He has been a professorate senior engineer in the Chinese Mainland and a professional member of The Hong Kong Institute of Qualified Environmental Professionals since 2025.

Mr. Lai is currently the Vice Chairman of the Institution of Public Private Partnerships in Hong Kong. He was also the Chairman of Mechanical, Marine, Naval Architecture and Chemical Division of the Hong Kong Institution of Engineers from 2010 to 2011.

Mr. Leung Lik Yan (梁力仁先生), aged 42, was appointed as associate director of the Company in March 2025. Mr. Leung began his career as a graduate trainee with the Group in 2008. He is currently a senior project manager in the Environmental Engineering Business of the Group. In addition, he has been a director of ATAL Engineering Limited since 2023, while also serving as the head of the Smart Data Automation Department of the Group. He is mainly responsible for spearheading the integration of Artificial Intelligence (AI) and big data in various infrastructure projects, and developing Innovative Technologies and Digital Solution of the Group in Hong Kong, the Chinese Mainland, Macau, and overseas. His remit also includes oversight for the management and execution of projects and tenders in the Environmental Engineering operations of the Group, including the design, procurement, construction, installation, testing and commissioning, operation and maintenance of the municipal and industrial water, wastewater, solid waste, waste-to-energy treatment plants and related infrastructure.

Mr. Leung graduated from Ryerson University in June 2007 with a bachelor degree of engineering in electrical engineering, and obtained a master degree of science in electrical engineering from The Hong Kong Polytechnic University in October 2013. He also completed a programme in executive master of business administration and awarded the Degree of Master of Business Administration from The Chinese University of Hong Kong in October 2023. Mr. Leung is currently a member of the Institution of Engineering and Technology in the United Kingdom. He has obtained his NEC4: ECC Project Manager Accreditation in August 2024.

Mr. Lo Shu Chung, Ronny (盧書聰先生), aged 53, joined the Group as associate director of ATAL Data Centre Infrastructure Limited in 2015 and was promoted to the segment's chief executive in 2024. In addition to his current role as a director of ATAL Data Centre Infrastructure Limited, Mr. Lo also serves as a director of various subsidiaries of the Company. He is primarily responsible for overseeing the overall development and growth of the data centre infrastructure business of the Group. He has more than 30 years' experience in the industry, having taken up various professional roles in areas including data centre infrastructure, power engineering and operation management with remit for overseeing business development, technical solutions, and operational management. He has contributed to the design, implementation, maintenance and facility management of various large-scale data centre infrastructure contracts.

Mr. Lo graduated with a bachelor of engineering degree in electrical engineering from The University of New South Wales in Australia in 1996, a master of science degree in engineering from The University of Hong Kong in 2001, a master of technology degree from Deakin University in Australia in 2005, and a master of business administration degree from Western University in Canada in 2006.

Mr. Lo is a chartered engineer in the United Kingdom, a chartered professional engineer in Australia, a corporate member of the Hong Kong Institution of Engineers, and a registered professional engineer in Hong Kong. He is also a certified data centre specialist, certified data centre facilities operations manager, and registered energy assessor.

Mr. Lo is currently a member of the Disciplinary Tribunal Panel for Electricity Ordinance of the Electrical and Mechanical Services Department, a contract committee member of the Hong Kong Federation of Electrical and Mechanical Contractors, a co-opted member of the VTC Higher Education Advisory Committee, and a governor of the Technological and Higher Education Institute of Hong Kong. Previously, he served as an executive committee member of Hong Kong Electrical Contractors' Association, and a committee member of the Institution of Engineering and Technology.

Mr. Lo was a supervisor of Nanjing Canatal Data-Centre Environmental Tech Co., Ltd ("Nanjing Canatal") from December 2023 to November 2025. Nanjing Canatal is a company listed on the Shanghai Stock Exchange (stock code: 603912) and owned as to approximately 15.0% by the Company as at 27 March 2026.

Mr. Liu Wing Hong, Benny (廖永康先生), aged 63, has been appointed as the Chief Operating Officer of the Group since 1 January 2023.

Mr. Liu assists in overseeing business operation, including all matters relating to quality, safety and Environmental, Social and Governance as well as corporate governance of operation across business units to ensure that they are in line with the overall business direction of the Group.

Prior to his appointment as Chief Operating Officer, Mr. Liu had served the Group for 27 years and was a director of ATAL Building Services Engineering Limited before he left the Group in 2019. At that time, Mr. Liu was primarily responsible for overseeing the Chinese Mainland building services business of the Group.

Mr. Liu started his career as a design draftsman, and was later promoted as a designer at Parsons Brinckerhoff (Asia) Limited between 1981 and 1985. From 1986 to 1988, he worked as a senior engineer at Reliance Engineering & Trading Company Limited. He then served as a project manager, and later became a department manager at Yee Hong Kee (Plumbing) Company, Limited between 1988 and 1992.

Board of Directors and Senior Management

Mr. Liu first joined the Group in 1992 as an assistant manager in the plumbing and drainage department of Analogue Technical Agencies Limited (now known as ATAL Engineering Limited) and was later promoted as a manager in the plumbing and drainage department in 1994. Mr. Liu became an associate director of ATAL Engineering Limited in 2001 and subsequently held the position of director of ATAL Building Services Engineering Limited from July 2010 to December 2019.

Mr. Liu obtained a bachelor of engineering-electrical degree from West Coast Institute of Management & Technology, Australia in March 2003 through distance learning. He graduated from Morrison Hill Technical Institute, Hong Kong with a certificate in building engineering services (plumbing) in June 1988 and a short course certificate in plumbing services (Hong Kong) in October 1991. He also obtained an attendance certificate in engineered plumbing design from the Hong Kong Polytechnic in September 1990.

Mr. Liu is a grade 1 licensed plumber in Hong Kong. He is also a member of the Chartered Institute of Plumbing and Heating Engineering in the United Kingdom, a fellow of each of the Society of Operations Engineers and the Institute of Plants Engineers in the United Kingdom, and a life senior member of The Chinese Mechanical Engineering Society. He is a chartered environmentalist of the Society for the Environment of the United Kingdom.

Mr. Yem Raymond (嚴家仁先生), aged 56, was appointed as director of the Environmental Engineering segment of the Group in 2022, and is primarily responsible for business strategic plans and oversight of the execution of water treatment and solid waste related projects covering design, construction, operation and maintenance. He is currently a director of a subsidiary of the Company.

Mr. Yem joined the Group in 1992 as an assistant engineer and has dedicated his career to environmental engineering, primarily focusing on drinking water treatment, waste water treatment, solid waste handling and waste to energy business. He was promoted to manager, Water and Solid Waste in 2019 with remit to lead the department as the business unit head. He was further promoted to associate director, Water and Solid Waste in 2021.

Mr. Yem has also been appointed as the Head of Lifting Appliance Solution, a new business unit of the Group founded in 2023 (recently re-named as Mechanical Handling and Lifting Solution), to provide the market with cranes and automated mechanical handling solutions.

Mr. Yem obtained his bachelor of chemical engineering degree majoring in environmental management from The University of New South Wales, Australia in May 1992, master of business administration degree in Technology Management from the La Trobe University, Australia, in September 2005, and master of science degree in interdisciplinary design and management from The University of Hong Kong in November 2007. Mr. Yem has been a corporate member of The Hong Kong Institution of Engineers since 2010. He is currently serving as the executive committee member of Hong Kong Waste Management Association and a co-opted member of International Water Association Regional Committee of Hong Kong, China.

Note: Mr. Leung Lik Yan, Mr. Lo Shu Chung Ronny and Mr. Yem Raymond were designated as senior management of the Company with effect from 1 January 2026.

Corporate Governance Report

The board (the “Board”) of Directors (the “Directors”) of Analogue Holdings Limited (the “Company” together with its subsidiaries, the “Group”) is pleased to report to the shareholders of the Company (the “Shareholders”) on the corporate governance of the Company for the year ended 31 December 2025 (the “Reporting Year”).

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance practices and procedures. The Company has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as the basis of the Company’s corporate governance practices.

During the Reporting Year, the Company has complied with all applicable code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the securities dealing code (the “Securities Dealing Code”) on terms no less exacting than those set out in the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 to the Listing Rules (the “Model Code”). In response to specific enquiries made to all the Directors by the Company, all the Directors confirmed that they have complied with the required standards set out in the Model Code and the Securities Dealing Code adopted by the Company throughout the Reporting Year.

BOARD OF DIRECTORS

The composition of the Board during the Reporting Year was as follows:

Executive Directors:

Dr. Poon Lok To, Otto (*Founder*)
Dr. Mak Kin Wah (*Chairman*)
Mr. Chan Hoi Ming (*Chief Executive Officer*)
Mr. Cheng Wai Lung
Mr. Cheng Wai Keung, Peter (*Chief Financial Officer*)

Non-executive Director:

Ms. Or Siu Ching, Rerina

Independent Non-executive Directors:

Mr. Chan Fu Keung
Mr. Lam Kin Fung, Jeffrey
Ms. Shing Mo Han, Yvonne

Subsequent to the Reporting Year, Ms. Or Siu Ching, Rerina has resigned as a non-executive Director with effect from 1 April 2026, after expiry of her term of appointment.

Corporate Governance Report

Mr. Cheng Wai Keung, Peter is the brother-in-law of Dr. Poon Lok To, Otto. Save as disclosed above, there is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

Board Meetings

Code provision of the CG Code stipulates that Board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communications. The Directors may attend meetings in person, by phone or through means of electronic communication facilities in accordance with the Company's Bye-laws. During the Reporting Year, the Company convened four Board meetings. The Board also approved numerous matters by way of resolutions in writing. For all board meetings, the agendas and accompanying board papers were sent to the Directors at least three days before the intended date of the board meetings. In addition to the regular Board meetings, the Chairman of the Board had also met the independent non-executive Directors without the presence of other Directors during the Reporting Year.

Chairman and Chief Executive Officer

Dr. Mak Kin Wah is the Chairman of the Board and is responsible for developing, monitoring and evaluating the Group's business, and for the leadership, overall strategic planning and major decision making for the Group.

Mr. Chan Hoi Ming is the Chief Executive Officer of the Company and is primarily responsible for, among others, advising on the overall strategic planning for the Group. He oversees the operation of all the business units of the Group and is also responsible for devising business strategies, driving innovations and fostering partnership with all stakeholders.

Non-executive Directors

All non-executive Directors are appointed for a specific term of three years, and are subject to retirement by rotation under the Company's bye-laws.

The Company considered all independent non-executive Directors to be independent based on the independence guidelines set out in rule 3.13 of the Listing Rules. The nomination committee of the Board (the "Nomination Committee") is responsible for assessing the independence of the independent non-executive Directors.

During the Reporting Year, the Company has reviewed the implementation and effectiveness of the mechanism to ensure independent views and input are available to the Board. The Board is satisfied with the implementation and effectiveness of the mechanism and methods in place to ensure independent views and inputs are available to the Board after having noted and reviewed that the following mechanisms are already in place and are being put into practice.

- The Board shall endeavour to ensure the appointment of at least three independent non-executive Directors representing at least one-third of the Board are independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time).

- Apart from complying with the requirements prescribed by the Listing Rules as to the composition of certain Board committees, independent non-executive Directors will be appointed to other committee(s) as far as practicable to ensure independent views are available to each Board committee.
- The Nomination Committee must strictly adhere to the Nomination Policy as adopted by the Board from time to time and the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive Directors.
- Each independent non-executive Director is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence.
- The Nomination Committee is mandated to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the Listing Rules to ensure that they can continually exercise independent judgement.
- Independent non-executive Directors and other Directors are entitled to seek further information and documentation from the management on matters to be discussed at meetings of the Board and/or any Board committees. They are also entitled to obtain independent professional advice, upon reasonable request, to perform their duties, at the Company's expense.
- Independent non-executive Directors and other Directors shall not vote or be counted in the quorum of any Board resolution approving any transaction or arrangement in which such Director or any of his/her close associates has a material interest.
- The Chairman of the Board shall at least annually hold meetings with the independent non-executive Directors without the presence of other Directors.
- The Board shall review the implementation and effectiveness of these mechanisms on an annual basis.

Appointment and Re-election of Directors

During the Reporting Year, letters of appointment were entered into with certain Directors in connection with the renewal of their respective terms of appointment.

Two executive Directors renewed their terms of appointment during the Reporting Year. One of them renewed his term for a further period of three years expiring in 2028, after which his appointment will continue on a month-to-month basis. The other executive Director renewed his term of appointment for a period ending in 2026, and subsequently further renewed in advance his term of appointment for a period expiring upon the conclusion of the annual general meeting of the Company to be held in 2029 or three years, whichever occurs earlier.

Prior to the Reporting Year, one of the remaining three executive Directors had renewed his term of appointment for three years expiring in 2028. One had been appointed for a term of three years expiring in 2027, following his redesignation in 2024. The other executive Director had been appointed for a term of three years expiring in 2027. Upon the expiry of their respective terms of appointment, the appointments of these three executive Directors will thereafter continue on a month-to-month basis.

Corporate Governance Report

Prior to the Reporting Year, two independent non-executive Directors renewed their terms of appointment pursuant to letters of appointment for further terms of three years expiring in 2027.

In addition, one independent non-executive Director renewed her term of appointment subsequent to the Reporting Year for a term from 27 June 2026 until the conclusion of the Company's annual general meeting to be held in June 2028.

The terms of appointment of all the abovementioned Directors may be terminated by mutual agreement between the relevant Director and the Company or otherwise in accordance with the terms set out in their respective letters of appointment.

Ms. Or Siu Ching, Rerina, a non-executive Director, signed a letter of appointment with the Company in 2023 for a term of three years up to 31 March 2026. Subsequent to the Reporting Year, she has resigned as a non-executive Director with effect from 1 April 2026, after expiry of her term of appointment.

All Directors are subject to retirement by rotation and re-election at annual general meeting at least once every 3 years in accordance with the bye-laws of the Company. Any Director appointed by the Board to fill a casual vacancy or as an addition member to the existing Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at such meeting.

Nomination Policy

According to the nomination policy of the Company adopted by the Board, the Board as a whole is responsible for the procedure of agreeing to the appointment of its own members and for nominating them for election by the Shareholders on first appointment and thereafter at regular intervals by rotation. A Nomination Committee has been established to identify individuals suitably qualified to become Directors and make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning of the Directors.

The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and makes recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

The appointment of a new Director shall first be considered by the Nomination Committee and then recommended by the Nomination Committee to the Board. When identifying and selecting suitably qualified candidates, the Nomination Committee will give consideration to their skill, knowledge, experience and other criteria as set out in the board diversity policy of the Company, whereby selection of candidates will be based on merit against objective criteria as the Nomination Committee may consider appropriate from time to time.

The proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a Director, and will be asked to consent to the public disclosure of certain of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election or appointment as a Director. The Company may request candidates to provide additional information and documents, if considered necessary for their election or appointment as a Director.

Candidates recommended to the Board for appointment or re-appointment as independent non-executive Directors must comply with the independence requirements set out in rule 3.13 of the Listing Rules. In addition, the Board believes that independence is a matter of judgement; and a major criterion for selecting candidates for appointment or re-appointment as independent non-executive Directors is that the relevant candidates should not engage in any business or any other arrangement which might potentially interfere with the exercise of judgement in their capacity as independent non-executive Directors in respect of any matter of the Company and/or its subsidiaries.

Board Diversity Policy

The Board adopted the board diversity policy of the Company. The Company recognises and embraces the benefits of having a diverse Board to enhance the effectiveness of the Board, the quality of its performance and corporate governance. The policy aims to set out the approach to achieve diversity relating to the Board. With a view to achieving sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

In designing the structure, size and composition of the Board, diversity will be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, qualifications, skills, knowledge, years of working experience, and other qualities of the directors that the Board may consider appropriate from time to time, taking into account the Company's specific needs. Diversity is not considered to be achieved for a single gender Board. The Company should appoint one or more directors of a different gender who genuinely possess(es) the necessary skills, experience and caliber appropriate to the Company's business.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to the abovementioned criteria. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect.

The Nomination Committee will endeavor to identify appropriate candidates of different genders through internal promotion, referrals, engaging employment agencies or other reasonable means, and recommend for the Board's consideration any potential appointments as director. The Board will strive to ensure the Board is made up of a reasonable and justifiable gender ratio by reference to stakeholders' expectations and international and local recommended best practices and the pool of qualified candidates.

The Board currently targets to maintain at least one director of a different gender at all times, and such target will be reviewed from time to time with a view to progressively improve gender balance on the Board, taking into account the industry and nature of the business of the Company and its subsidiaries.

The Nomination Committee will report annually, in the Corporate Governance Report of the Company, on the Board's composition under diversified perspectives, and monitor the implementation of this board diversity policy to ensure its effectiveness. The Nomination Committee will review the board diversity policy on an annual basis to ensure that it remains fit for purpose, and reflects current regulatory requirements and good corporate governance practices. The Nomination Committee will annually discuss any revisions that may be required, as appropriate, and recommend any such revisions to the Board for consideration and approval.

Corporate Governance Report

During the Reporting Year, the Nomination Committee has reviewed the implementation and the effectiveness of the board diversity policy and the policy is considered to have been effectively implemented. The Nomination Committee has reviewed and considered that the Board members bring diversified professional experience, qualifications, skills and knowledge which collectively met the Board's diversity requirements, including having at least one director of a different gender.

With the Company's latest business strategies and objectives in mind, the Nomination Committee will continue to monitor and assess how greater board diversity can add value to the Company and to the stakeholders. The Nomination Committee will give due consideration to the board diversity policy of the Company when recommending candidates to the Board. All Board appointments will be based on merit, and candidates will be considered against objective criteria with due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect.

The Company has also taken, and will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management levels. Initially, the Nomination Committee recognised that gender diversity at the Board level could be improved given its composition of all-male Directors and a target was set to appoint one female Director by 31 December 2024. The Company was committed to improving gender diversity and took initiatives to identify suitable candidates to meet the target. In 2023, when two new female Directors were appointed to the Board. Accordingly, the Company's target as regards the Board gender diversity has been achieved well within the expected timeline. In addition, on 1 July 2025, the Board Diversity Policy was amended to maintain at least one director of a different gender at all times and such target will be reviewed from time to time as mentioned above.

The biography for each of the Directors is set out in the section headed "Board of Directors and Senior Management" on pages 28 to 44 of this annual report.

Workforce Diversity Policy

The Company has adopted the Workforce Diversity Policy on 1 July 2025. The Company believes that a diverse and inclusive workforce is fundamental to the Company's sustainable growth and operational success, driving balanced development and enhancing the quality of its performance across the Company and its subsidiaries.

The Company is committed to fostering a diverse inclusive workforce, where all employees, regardless of gender, age, family status, race, ethnicity, cultural background, religion, sexual orientation, gender identity, disability or other characteristics protected by applicable laws, are valued, respected, and treated fairly with equal access to opportunities.

The Company will provide equal employment opportunities for all, recognising that all employment-related decisions (including appointments, promotions etc.) should be made based on merit, free from any form of bias or discrimination, with candidates considered against objective criteria, with due regard for the benefits of diversity in the workforce. Relevant skills, knowledge, working experience, qualifications, potential for development and performance are primarily factors considered by the Group in recruitment, development and training of employees.

The Company commits to upholding diversity of gender, background, skills and experience across the workforce, maintaining an appropriate level of female staff (including senior management). Due to the industry and nature of the Group's business, achieving diversity at a workforce level is challenging and fewer female staff are employed by the Group. Nevertheless, the Sustainability Committee will periodically monitor the gender composition of the workforce (including senior management) and, on an annual basis, set targets, measurable objectives and timeline based on the Group's business needs and development plans, as appropriate. The Company will continue to take steps to promote workforce diversity at all levels.

The Company will report annually, in the Corporate Governance Report of the Company, on matters relating to the Workforce Diversity Policy as required by the Listing Rules.

The Sustainability Committee will monitor the implementation of the Workforce Diversity Policy and review it on an annual basis to ensure the effectiveness of the policy and make revisions to it, as appropriate.

As at 31 December 2025, we maintained a 16.7:83.3 ratio of women to men in the workplace, while the composition of the Group's senior management is currently all-male. Due to the industry and nature of the Group's business, fewer female staff were employed by the Group. Based on the Workforce Diversity Policy, the Company will annually review and set workforce gender diversity target (including senior management) and the timeline based on the Group's business needs and development plans, as appropriate. The Sustainability Committee will review the Workforce Diversity Policy to ensure the effectiveness of this policy.

Responsibilities, Accountabilities and Contributions of the Board and Management

While the Board is collectively responsible for directing and supervising the Company's affairs, the Chairman of the Board provides leadership to the Board. The Board directly and indirectly through its Board committees and other committees, leads and provides direction to management by laying down strategies; monitors the Group's overall operational and financial performance; and ensures that sound internal control and risk management systems are in place. All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for providing a balance in the Board for bringing effective independent judgement on corporate actions and operations. The Board reserves for its decision on all major matters including annual and interim period financial reporting of the Group, equity fund raising of the Company, recommendation or approval of dividends, notifiable transaction and/or connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules, disclosure of inside information under Part XIVA of the Securities and Futures Ordinance, recommendation for capital reorganisation, and scheme of arrangement or winding up of the Company. Responsibilities relating to implementing decisions of the Board; directing and coordinating the daily operations and management of the Company are delegated to the executive Directors and the management.

An executive committee comprising executive Directors from time to time is delegated with the authority to handle certain operational matters, including the opening of bank accounts; the provision of guarantee to wholly-owned subsidiaries for the due performance of contracts in the ordinary course of business of the subsidiaries; the obtaining of banking facilities and the provision of guarantee to banks for obtaining banking facilities by the wholly-owned subsidiaries. The resolutions approved by the executive committee were periodically reported to all Board members for their information. Board committees as set out under the heading of "Board Committees" below have also been delegated with specific duties and authority as more particularly set out in the terms of reference of these committees.

Corporate Governance Report

The Company established a sustainability committee (the “Sustainability Committee”) in 2020, which is led by an executive Director and supported by four sustainability working groups, namely the Decarbonisation and Smart City Working Group, the Sustainable Value Chain Working Group, Championing Our People Working Group, and the Climate Risk Management Working Group and the Environmental, Social and Governance (“ESG”) Report Preparation Task Force. As at 31 December 2025, the members of the Sustainability Committee comprise of an executive Director and management staff from various business units and corporate units with adequate knowledge, expertise and experience who can contribute positively to the relevant subject areas. Delegated by the Board, the Sustainability Committee is responsible for advising and making recommendations on formulating sustainability strategy, and integrating sustainability into our strategic plan and daily operations. This Sustainability Committee assesses the materiality of sustainability issues, oversees preparation of the annual ESG Report and reports to the management committee of the Company which in turn reports to the Board. During the Reporting Year, the Sustainability Committee held two meetings.

During the Reporting Year, the Board, through the Sustainability Committee, has reviewed and was satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s ESG performance and reporting and considered the same to be adequate.

BOARD COMMITTEES

The Board has established three Board committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, which directly report to the Board. Each of these committees is established with defined written terms of reference.

Audit Committee

As at 31 December 2025, the audit committee of the Board (the “Audit Committee”) consists of two independent non-executive Directors, namely Ms. Shing Mo Han, Yvonne and Mr. Chan Fu Keung, and one non-executive Director, namely Ms. Or Siu Ching, Rerina. The Audit Committee is chaired by Ms. Shing Mo Yan, Yvonne, who is a qualified accountant with extensive accounting and finance experience.

The principal duties of the Audit Committee include reviewing the Company’s financial controls, internal control and risk management systems, reviewing the financial information of the Company, reviewing the relationship with the external auditors and overseeing the Company’s corporate governance functions as set out in the CG Code (including, among others, reviewing the Company’s policies and practices on corporate governance, reviewing the Company’s compliance with the CG Code and disclosure in Corporate Governance Report). The terms of reference of the Audit Committee, which set out in more detail the duties and functions of the Audit Committee, have been posted on the websites of the Company and the Stock Exchange.

A risk management committee is set up to assist the Audit Committee in overseeing the risk management system, ensuring that the risk management culture is fostered and systems are implemented effectively in the daily operations. During the Reporting Year, the risk management committee comprises certain members of the Directors, the chief financial officer and other senior member of the management. During the Reporting Year, the risk management committee held two meetings.

The risk management committee (sanctions risks), which reports to the risk management committee, comprises the chief operating officer, an executive Director and also the chief financial officer of the Company and the legal counsel as at 31 December 2025. The role of the committee can be referred to the section headed “International Sanctions” under the Report of the Directors of this annual report. During the Reporting Year, the risk management committee (sanctions risks) held two meetings.

During the Reporting Year, the Audit Committee held three meetings. The work performed by the Audit Committee in the Reporting Year included:

- reviewed the annual results announcement and the Company’s annual report and the ESG Report for the year ended 31 December 2024 and recommended to the Board the approval of these documents;
- recommended to the Board to put forward the re-appointment of Deloitte Touche Tohmatsu as the external auditor of the Company for approval at the annual general meeting of the Company;
- reviewed the effectiveness of the Group’s risk management and internal control systems for the year ended 31 December 2024 covering all material controls, including financial, operational and compliance controls;
- reviewed the adequacy of resources, qualifications and experience of the staff of the Company’s accounting, internal audit and financial reporting functions;
- reviewed the training attended by the Directors and the senior management of the Company for the year ended 31 December 2024;
- reviewed the compliance of CG Code for the year ended 31 December 2024 and reviewed the disclosure on the Corporate Governance Report in the Company’s annual report for the year ended 31 December 2024;
- reviewed the interim results announcement and interim report of the Group for the six months ended 30 June 2025;
- reviewed the compliance of CG Code for the six months ended 30 June 2025;
- reviewed the external auditor’s fee on reviewing the interim results of the Company for the six months ended 30 June 2025 and the annual audit of the Group for the year ended 31 December 2025; and
- discussed with the external auditor the audit plan of the annual audit of the Group for the year ended 31 December 2025.

Nomination Committee

As at 31 December 2025, the Nomination Committee consists of three independent non-executive Directors, namely Mr. Lam Kin Fung, Jeffrey, Mr. Chan Fu Keung and Ms. Shing Mo Han, Yvonne and one non-executive Director, namely Ms. Or Siu Ching, Rerina. The Nomination Committee is chaired by Mr. Lam Kin Fung, Jeffrey.

Corporate Governance Report

The principal duties include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board annually, assisting the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors; identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship; reviewing the board diversity policy and reviewing the measurable objectives that the Board has set for implementing such policy; supporting the Company's regular evaluation of the Board's performance. The terms of reference of the Nomination Committee, which set out in more details the duties and function of the Nomination Committee, have been posted on the websites of the Company and the Stock Exchange.

During the Reporting Year, the Nomination Committee held one meeting. The work performed by the Nomination Committee in the Reporting Year included:

- recommended to the Board to issue appointment letters and a supplemental letter in relation to the renewal of the term of executive Directors;
- recommended to the Board to issue an employment letter in relation to the renewal of the term of employment of the Chief Executive Officer by the Group;
- reviewed the structure, size and composition (including skills, knowledge and experience) of the Board;
- assessed the independence of the independent non-executive Directors;
- recommended to the Board to put forward the retiring Directors, Mr. Chan Hoi Ming, Mr. Lam Kin Fung, Jeffrey and Ms. Or Siu Ching, Rerina, for re-election at the annual general meeting held in 2025; and
- reviewed the board diversity policy of the Company, the measurable objectives (which have been set out in the board diversity policy) the Board has set for implementing the policy and the progress on achieving the objectives and the implementation and effectiveness of the policy.

Remuneration Committee

As at 31 December 2025, the Remuneration Committee consists of two independent non-executive Directors, namely Mr. Chan Fu Keung and Ms. Shing Mo Han, Yvonne and one non-executive Director, namely Ms. Or Siu Ching, Rerina. The Remuneration Committee is chaired by Mr. Chan Fu Keung.

The principal duties of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and the senior management. One of the duties of the Remuneration Committee is to make recommendations to the Board on the remuneration of non-executive Directors; and to make recommendation to the Board on the remuneration packages of individual executive Directors and senior management, including, among others, benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment). The terms of reference of the Remuneration Committee, which set out in more details the duties and function of the Remuneration Committee, have been posted on the websites of the Company and the Stock Exchange.

During the Reporting Year, the Remuneration Committee held three meetings. The work performed by the Remuneration Committee in the Reporting Year included:

- recommended to the Board to put forward for the shareholders' approval the authorization of the Board to fix the Directors' remuneration at the annual general meeting of the Company held in 2025;
- recommended to the Board the increase of salary of the executive Directors and senior management of the Company;
- approved the increase of salary of the full-time permanent employees of the Group;
- recommended to the Board the discretionary incentive bonus for the executive Directors and the senior management of the Company;
- approved the payment of the discretionary incentive bonus of the full-time permanent employees of the Group;
- recommended to the Board to issue appointment letters and a supplemental letter in relation to the renewal of the term of executive Directors;
- recommended to the Board to issue an employment letter in relation to the renewal of the term of employment of the Chief Executive Officer by the Group; and
- recommended to the Board the amended remuneration policy of the Company.

Remuneration Policy

The Board adopted the remuneration policy of the Company. The policy is to provide competitive remuneration to attract and retain staff. The Group aims to compete in the market for the best talents and skills available.

Quality and committed staff are valuable assets contributing to the success of the Group. The remunerating objective of the Group is to ensure that there is an appropriate level of remuneration to attract, motivate and retain high calibre staff to support and oversee the Group's business and development. To ensure the ability to attract and retain talents, the policy is built upon the principles of providing equitable and market-competitive remuneration packages.

The Group provides competitive packages, including pay, allowances, incentives, benefits and employment conditions, in the industry and the regions in which the Group operates. The policy is performance linked to incentivize the achievement of the Group's strategic business goals, and to share the success of the Group with the staff. Salaries are subject to periodic review by the Group, with consideration including individual performance, skills, experience, professional qualification and other relevant factors, such as ESG-related goal achievement. The Group highly values dedicated staff who align with our vision and values and is committed to encouraging them to reach their full potential while providing meaningful career development opportunities.

The above remuneration policy is also applicable to Directors and senior management of the Company. Remuneration of Directors and senior management is recommended by the Remuneration Committee and approved by the Board. Remuneration is subject to periodic review.

Corporate Governance Report

Remuneration of Directors

Information on emoluments of the Directors for the year ended 31 December 2025 is set out in Note 12 to the consolidated financial statements. The Company has adopted share award schemes and certain awarded shares of the Company were granted in 2022. No shares were awarded to the Directors during the Reporting Year.

During the Reporting Year, no Director was involved in deciding his/her own remuneration or the remuneration of any of his/her associate(s) (as defined in the Listing Rules).

Remuneration of Senior Management by Band

The remuneration paid to members of the senior management by band for the year ended 31 December 2025 is set out below:

Remuneration Bands (HK\$)	Number of Senior Management
HK\$1,000,001 up to HK\$2,000,000	1
HK\$2,000,001 up to HK\$3,000,000	4
Total*	5

* 1 member of senior management resigned during the Reporting Year. As at 31 December 2025, the total number of members of senior management of the Company is 4.

Change of Board Committee Members

Subsequent to the Reporting Year, Ms. Or Siu Ching, Rerina has resigned as a Director of the Company with effect from 1 April 2026, after expiry of term of her appointment. As such, she would cease to be a member of the Audit Committee, Nomination Committee and Remuneration Committee on the same date. Mr. Lam Kin Fung, Jeffrey was appointed as a member of the Audit Committee and Mr. Chan Hoi Ming was appointed as a member of the Remuneration Committee, both with effect from 1 April 2026.

Attendance of meetings of Board and Board Committees

During the Reporting Year, the Company held four Board meetings, three Audit Committee meetings, three Remuneration Committee meetings and one Nomination Committee meeting. The annual general meeting of the Company was held on 26 June 2025.

The attendance records of the Directors during the Reporting Year are as follows:

	Number of meetings attended/eligible to attend				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Shareholders
Executive Directors					
Dr. Poon Lok To, Otto (<i>Founder</i>)	3/4	N/A	N/A	N/A	1/1
Dr. Mak Kin Wah (<i>Chairman</i>)	4/4	N/A	N/A	N/A	1/1
Mr. Chan Hoi Ming (<i>Chief Executive Officer</i>)	4/4	N/A	N/A	N/A	1/1
Mr. Cheng Wai Lung	4/4	N/A	N/A	N/A	1/1
Mr. Cheng Wai Keung, Peter (<i>Chief Financial Officer</i>)	4/4	N/A	N/A	N/A	1/1
Non-executive Director					
Ms. Or Siu Ching, Rerina	4/4	3/3	3/3	1/1	1/1
Independent Non-executive Directors					
Mr. Chan Fu Keung	3/4	2/3	3/3	1/1	1/1
Mr. Lam Kin Fung, Jeffrey	4/4	N/A	N/A	1/1	1/1
Ms. Shing Mo Han, Yvonne	4/4	3/3	3/3	1/1	1/1

UPDATE ON DIRECTORS' INFORMATION

Save as disclosed in this annual report, there are no other changes in information on the Directors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

The Company arranges and provides continuous professional development training to Directors to ensure that the Directors have sufficient understanding of the Group's businesses and awareness of duties under the Listing Rules and other relevant statutory and regulatory requirements. During the Reporting Year, the Company organised training session/an update conducted by an external qualified lawyer for the Directors relating to, among others, their duties, responsibilities and obligations under the Listing Rules and other law and regulations. The e-training session launched by the Stock Exchange also gave the Directors an opportunity to receive guidance on the matters relating to the Listing Rules. In addition, relevant reading materials including legal and regulatory updates have also been provided to the Directors for their reference and reading, to ensure that the Directors understand the updates on the relevant rules, laws and regulations relevant to the Directors in performing their duties.

Corporate Governance Report

A summary of the trainings received by the Directors during the Reporting Year based on the training records provided to the Company is set out as follows:

	Reading Material	Seminar(s)/e-training
Executive Directors		
Dr. Poon Lok To, Otto (<i>Founder</i>)	✓	✓
Dr. Mak Kin Wah (<i>Chairman</i>)	✓	✓
Mr. Chan Hoi Ming (<i>Chief Executive Officer</i>)	✓	✓
Mr. Cheng Wai Lung	✓	✓
Mr. Cheng Wai Keung, Peter (<i>Chief Financial Officer</i>)	✓	✓
Non-executive Director		
Ms. Or Siu Ching, Rerina	✓	✓
Independent Non-executive Directors		
Mr. Chan Fu Keung	✓	✓
Mr. Lam Kin Fung, Jeffrey	✓	✓
Ms. Shing Mo Han, Yvonne	✓	✓

The Audit Committee reviewed the trainings attended by the Directors and senior management of the Company for the year ended 31 December 2025 and considered the same to be adequate.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The annual and interim results announcements of the Company should be reported in a timely manner, in accordance with the Listing Rules, namely within 3 months and 2 months after the end of the reporting periods respectively.

The Directors' responsibilities should be reviewed together with the Auditor's Responsibilities in the Independent Auditor's Report as set out in pages 77 to 81 in this annual report.

The Annual Report and Accounts

The Directors are responsible for the preparation of the annual report and acknowledge their responsibility for preparing the financial statements of the Company. They are responsible in ensuring that the financial statements represent a true and fair view in accordance with the Listing Rules and HKFRS Accounting Standards. The statement of the external auditor of the Company regarding the Directors' reporting responsibilities on the financial statements of the Group is set out in the paragraph headed "Responsibilities of directors and those charged with governance for the consolidated financial statements" on page 79 of the "Independent Auditor's Report".

The Accounting Records and Accounting Policy

The Directors are responsible for keeping good accounting records which represent the financial positions of the Company and that the accounting records are prepared under the basis of the relevant accounting policy and in compliance with HKFRS Accounting Standards.

Going Concern

The Directors have reviewed, queried, and ascertained that the Company has adequate resources to continue its operations for the foreseeable future and hence it is appropriate for the Company to adopt the going concern approach for the preparation of its financial statements.

AUDITOR'S REMUNERATION

During the Reporting Year, the total fee paid/payable in respect of audit and non-audit services provided by the Group's external auditor, Deloitte Touche Tohmatsu, and its network firm, is set out below:

	2025 HK\$'000	2024 HK\$'000
Audit Services	5,200	5,200
Non-audit services		
Interim review fee	2,509	2,559
Advisory service	–	473
Tax services and disbursement	92	107
Total	7,801	8,339

RISK MANAGEMENT AND INTERNAL CONTROLS

In order to better integrate risk management and internal control with the Group's business strategies and business, the Board has overall responsibility for maintaining sound and effective systems of risk management and internal control with focus and key controls on finance, operations and compliance through risk management assessment. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and aim to provide a reasonable, as opposed to an absolute, assurance against material misstatement or loss.

The Board oversees the Group's risk management process which comprises the identification and assessment of the key risks exposure (including ESG risks) of the Group based on their estimated impact and likelihood of occurrence and the formulation of corresponding mitigating measures by management. The Group's identified risks and associated mitigating measures are recorded and are reviewed at least annually in light of internal and external changes. An open and interactive communication channel is maintained to enable timely reporting and ongoing supervision of the identified risks within the Group. The risk management policy of the Company has been developed with a primary objective of providing a direction to all management personnel in applying a consistent risk management system in which the significant risks concerning business processes and functions of the Group are identified, considered and addressed in approval, review and control processes. It also serves as a continuity of the Group's risk management process and facilitates transition during time of management of personnel changes.

Corporate Governance Report

The main features of the Group's risk management and internal control systems incorporated a well-established enterprise risk management structure and risk management methodology which includes risk identification, risk assessment and prioritisation, risk response, risk monitoring and risk reporting in respect of operation, financial function and compliance of all the businesses of the Group. At tender and project level under the enterprise risk management structure, our Tender and Project Risk Management System identifies and evaluates a range of risks for current and prospective projects. This System helps in developing appropriate mitigation measures for minimising the potential for unforeseen challenges that could arise before tender submission and during various stages of contract execution. The System is strengthened by increasing several risk dimensions and adjusting the risk class escalation mechanism from time to time. In addition, the chief operating officer provides separate oversight to the day-to-day operations of all business units and align them with risk management strategies.

The internal audit function of the Group is an independent function that reports directly to the Audit Committee. The internal audit function reviews from time to time the Group's business operations, risk management and internal control systems in accordance with the risk-based internal audit work plans as approved by the Audit Committee. The Board is responsible for the design, implementation and monitoring of the Group's risk management and internal control systems on an ongoing basis and a cyclical review has been conducted on their effectiveness. Furthermore, the Board has ensured that adequate resources have been spent on the Company's accounting, internal audit and compliance functions as well as those relating to the Group's ESG performance and reporting which are run by professional staff with appropriate qualifications, experience and training. During the Reporting Year, no significant irregularity or deficiency in risk management and internal control systems was required to be drawn to the attention of the Audit Committee. During the Reporting Year, the significant risks on ESG have been reviewed by the Sustainability Committee and no significant irregularity or deficiency on the significant ESG risk have been identified. For more details of the works performed by the Sustainability Committee during the Reporting Year, please refer to the "Sustainability Leadership" section of the ESG Report, which is a stand-alone report published on the websites of the Company and the Stock Exchange on the same date on which this Annual Report is published.

A whistleblowing policy was adopted by the Board and updated from time to time and is uploaded to the Company's intranet, which allows the Group's employees to raise concerns, in confidence, about any suspected misconduct, malpractice within the Company.

Policy on anti-corruption was also included in the Company's code of conduct, which is uploaded to the Company's intranet, to promote and support anti-corruption laws and regulations.

A Manual on Disclosure on Inside Information is in place and has also been uploaded to the Company's intranet, giving guidance on the management, protection and proper disclosure of inside information. The Directors adhere strictly to the statutory requirement relating to their responsibilities of keeping inside information confidential. If Directors or management consider that inside information of the Company may arise, they can seek advice from external legal advisor. During the Reporting Year, inside Information was disclosed by the Company as soon as reasonably practicable in accordance with the Listing Rules and Part XIVA of the Securities and Futures Ordinance.

Monthly updates had been provided to all members of the Board, for the purpose of providing a balanced and understandable assessment of the Company's financial and operating performance, position and prospects in sufficient detail and to enable the Board as a whole and each Director to discharge their duties.

Innovation continues to be a strategic driver of the Group's sustainable growth and operational excellence. In the year, we launched a series of training programmes on Capability Maturity Model Integration ("CMMI") and incorporated CMMI concepts into employee orientation. With these initiatives to enhance engineering discipline and process maturity for mitigating possible risks in the software development, the Group successfully achieved CMMI Maturity Level 3 certification for software development, validating that our development processes are robust, consistently executed and continuously improved, to ensure reliable, high-quality outcomes.

For protecting confidential data, the Group implemented a robust information security management system certified under ISO 27001 as well as formalised the Information Security Policy and Security Manual to set out the security standards that all staff must adhere to, to assure consistent and robust protection of information assets.

Mandatory cybersecurity training was offered to all Hong Kong employees. We also implemented ongoing awareness programmes and regularly shared targeted cybersecurity reminders to reinforce staff vigilance and readiness for mitigating potential cybersecurity issues.

The Group took proactive steps to set out an Artificial Intelligence ("AI") Policy, to guide responsible use of AI. We also developed the ATAL Retrieval-Augmented Generation AI App which integrates multiple AI models and offers built-in tools to allow our employees to increase productivity while aligning with the Group's cybersecurity standards.

Safety has been our top priority. To enhance vigilance, we carried out a series of additional fire safety inspections, focusing on both site condition and maintenance of fire service installation, to ensure compliance with all relevant regulations and standards. We also introduced a fire safety pledge between our project management teams and subcontractors which not only underlines key fire safety measures to be implemented, but also the disciplinary actions for non-compliance, demonstrating our determination to maintain fire safety in our operations.

To safeguard data privacy and intellectual property rights, our Operation Manual outlines specific procedures for managing intellectual property, including patent protection for all products and software-related inventions, in full compliance with applicable laws and regulations of the regions in which we operate. We have implemented a comprehensive Personal Data and Privacy Policy to safeguard against the misuse of confidential, privileged or personal information entrusted to us; this policy outlines the obligations and procedures related to data collection, retention, access, and correction. All employees are required to sign the Intellectual Property, Employee Invention Confidential Information Agreement, and Staff's Declaration on Software Policies upon joining the Group. Violations may result in disciplinary measures, including termination.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025 covering all material controls, including financial, operational and compliance controls, and was satisfied that such systems are effective and adequate. Such review will be conducted annually for each financial year of the Group. In addition, the Audit Committee has reviewed and was satisfied with the adequacy of resources, staff qualifications, experience and training programme of the Group's accounting, internal audit and financial reporting functions and considered the same to be adequate.

Corporate Governance Report

COMPANY SECRETARY

Ms. Li Kit Chi, Fiona was appointed as the secretary of the Company (the “Company Secretary”) on 14 September 2018. Ms. Li joined the Group since 11 November 2015 as legal counsel, providing legal support to the Group’s various businesses. She is a solicitor in Hong Kong and has over 30 years of legal experience. Prior to her retirement in February 2026, Ms. Li was an employee of the Group. She confirmed that she has complied with all the qualifications and experience requirements as required by the Listing Rules.

For the year ended 31 December 2025, Ms. Li has undertaken not less than 15 hours of relevant professional training in compliance with the Listing Rules.

Subsequent to the Reporting Year, Ms. Li ceased to be the Company Secretary with effect from her retirement on 28 February 2026 and Mr. Pang Chee Hoong was appointed as the Company Secretary on the same date. He joined the Group on 2 January 2026 as legal counsel, with responsibility for governance, legal, compliance, insurance, and company secretarial services across the Group. He has more than 25 years of experience in in-house legal aspects of construction and engineering projects and business operations in the Asia Pacific Region. Mr. Pang obtained his Bachelor of Laws degree from the University of Leeds, England, in 1989 and is a qualified solicitor in Hong Kong, and England and Wales. He is an employee of the Group.

SHAREHOLDERS’ RIGHTS

Convening a Special General Meeting

Shareholder(s) holding at the date of deposit of the requisition not less than 10% of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. The requisition must state the purpose(s) of the meeting, and must be signed by the requisitioner(s) and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists. If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene such meeting, the requisitioner(s), or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. Any reasonable expenses incurred by the requisitioner(s) by reason of the failure of the Board duly to convene a special general meeting shall be repaid to the requisitioner(s) by the Company.

Putting forward Proposals at General Meetings

Any number of Shareholders representing not less than 5% of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition relates; or not less than 100 Shareholders can submit a requisition in writing to the Company: (a) to give to the Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The written requisition must be signed by the requisitionist(s) and deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses in giving effect thereto and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the general meeting in case of any other requisition.

Procedures for Shareholder(s) to propose a person for election as a Director of the Company are available at the "Corporate Governance" section of the Company's website.

Enquiries to the Board

Shareholders may at any time send their enquiries and comments to the Board by addressing them to the Company Secretary by post to the Company's principal place of business in Hong Kong at ATAL Tower, 45-51 Kwok Shui Road, Kwai Chung, New Territories, Hong Kong or by email to info@atal.com.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Shareholders' Communication Policy

The Company has adopted shareholders' communication policy, which promotes effective communication with its individual and institutional shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner. The Company is committed to maintaining effective and timely dissemination of the Company's information to its shareholders. The Company believes that providing regular communication to its shareholders and the market is important to ensure they have the available information reasonably required to make informed assessments of the Company's strategy, operations and financial performance.

1. Communication Channel

Shareholders' meetings

- The annual general meetings and other general meetings of the Company are the primary forum for communication by the Company with its shareholders and for shareholders' participation.
- The Company encourages shareholders' participation in shareholders' meetings. Shareholders are encouraged to participate physically or to appoint proxies to attend and vote at shareholders' meetings for and on their behalf if they are unable to attend such meetings.
- Chairman of the Board, appropriate members of the Board committees and the external auditor of the Company will attend the annual general meetings to answer questions from the shareholders.

Company's website

- The Company's website (www.atal.com) provides information on the Company, including corporate communication, e.g. annual report, interim report, announcement, notice of meeting, circular and proxy form.

Corporate Governance Report

Shareholders' enquiries

- Shareholders should direct their questions about their shareholdings to Tricor Investor Services Limited for share registration and related matters.
- Shareholders and the public may at any time make a request for the Company's information to the extent such information is publicly available and provide comments and suggestions to the Directors. Shareholders may direct their queries, requests and comments to the Company's principal place of business in Hong Kong for the attention of the Company Secretary.

2. Investment market communication

- To facilitate communication between the Company, Shareholders and the investment community, results briefings and meetings with analysts may be arranged from time to time.

The shareholders' communication policy is subject to regular review by the Board and will be amended (as appropriate) from time to time.

In accordance with the shareholders' communication policy and the relevant rules and regulations:–

- The Company has published the corporate communication documents of the Company in a timely manner on the websites of the Company and the Stock Exchange. It disseminated the corporate communication documents of the Company to the Shareholders electronically in accordance with the Listing Rules and have sent these documents in printed form to the Shareholders upon individual request. In accordance with the bye-laws of the Company and the laws of Bermuda, a notice of publication of the corporate communication documents on the abovementioned websites has been sent to the Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of these corporate communication documents;
- The Company has published terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee, press release and newsletters on the Company's website;
- Apart from the Company's website, the Company's business and updates can also be accessed using social media platforms, like LinkedIn and WeChat;
- The Directors have presented the annual and interim results through webcasts, the Company's website, and face-to-face meetings to better communicate with the Shareholders, investors and analysts;
- Shareholders are given opportunities to meet the Directors, the Chief Executive Officer and the chief financial officer at the Company's annual general meeting each year and they can raise questions and share their views with the Directors. The Chairman of the Board, members of the Board committees and the external auditor of the Company will attend the annual general meetings to answer questions and meet with the Shareholders;
- Shareholders may put forward proposals for consideration at general meetings. Please refer to the section headed "Shareholders Rights" of this report;

- All Shareholders are always welcome to give feedback to and communicate with the Directors or management through the Company Secretary by post to the Company's principal place of business in Hong Kong;
- All Shareholders may direct their questions about their shareholdings to Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong, for share registration and related matters and information of the branch share registrar have been set out in the Company's annual reports and interim reports; and
- All Shareholders are entitled to receive dividends according to the Company's dividend policy, which has been set out in the Company's annual reports.

During the Reporting Year, the Board has reviewed the implementation and effectiveness of the shareholders' communication policy. With the above measures in place, the Board is satisfied with the implementation and effectiveness of the shareholders' communication policy.

DIVIDEND POLICY

The dividend policy of the Company can be referred to section headed "Report of the Directors" on page 67.

AMENDMENT TO THE COMPANY'S CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 13.90 of the Listing Rules, the Company has published on the websites of the Company and the Stock Exchange an up-to-date consolidated version of the memorandum of association and the bye-laws of the Company. During the Reporting Year, no change was made to the memorandum or association and bye-laws of the Company.

Report of the Directors

The directors of the Company (the “Directors”) have pleasure to submit their report together with the audited consolidated financial statements of Analogue Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 (the “Year”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Company are set out in Note 44 to the consolidated financial statements.

BUSINESS REVIEW

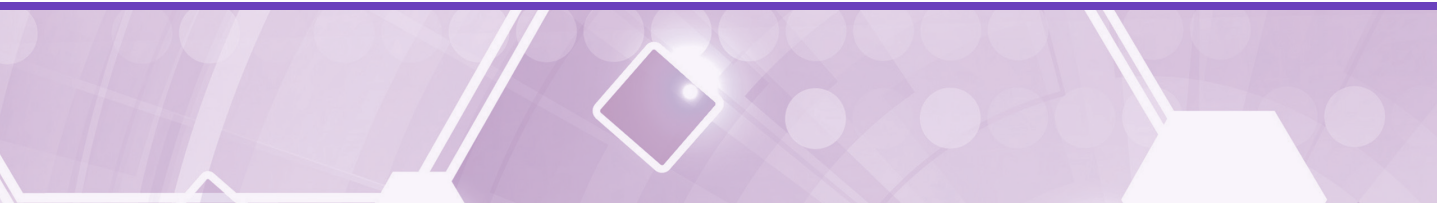
A fair review of the business of the Group as required under schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“Schedule 5”) comprising analysis of the Group’s performance during the Year, particulars of important events affecting the Group that have occurred since the end of the Year, as well as indication of likely future development in the business of the Group are set out in the sections headed “Chairman’s Statement” on pages 9 and 10 and “Management Discussion and Analysis” on pages 11 to 27. The description of the principal risks and uncertainties facing the Group can be found in the sections headed “Management Discussion and Analysis” on pages 11 to 27, and Notes 36 and 37 to the consolidated financial statements as set out in pages 149 to 161 of this annual report and in the Environmental, Social and Governance Report. For the development, performance or position of the Group as required under Schedule 5; and an analysis of the performance of the business of the Group using financial key performance indicators, please refer to the sections headed “Management Discussion and Analysis” and “Financial Highlights” on page 8. The discussion on the Company’s environmental policies and performance; an account of the Company’s key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company’s success depends; and the Company’s compliance with the relevant laws and regulations that have a significant impact on the Company can be found in the Environmental, Social and Governance Report.

A stand-alone Environmental, Social and Governance Report is published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the same date when this Annual Report is published.

RESULTS AND APPROPRIATION

The results of the Group for the Year and the state of affairs of the Company and of the Group as at 31 December 2025 are set out in the consolidated financial statements on pages 82 to 182.

The board of Directors (the “Board”) has resolved to pay a second interim dividend of HK2.9 cents per share of the Company (each, a “Share”) for the Year (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 Monday, 20 April 2026. The Second Interim Dividend is expected to be paid to the Shareholders on or around Wednesday, 29 April 2026.



Any declaration and payment of dividends by the Company shall be made in accordance with the constitutional documents of the Company and the relevant laws and regulations, including the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time (the “Bermuda Companies Act”). Pursuant to Section 54 of the Bermuda Companies Act, the Company shall not declare or pay a dividend or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the Company’s assets would thereby be less than its liabilities.

Any declaration and payment of dividends by the Company, including the amount of any dividends to be declared, is subject to the discretion of the Board and, where required under the constitutional documents of the Company and the Bermuda Companies Act, the approval of the Shareholders.

The Directors may recommend a declaration and payment of dividends after taking into account the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, Shareholders’ interests and other factors which they may deem relevant at such time. The Directors shall consider to, subject to the constitutional documents of the Company, the applicable laws and regulations and the approval by the Shareholders, if required, and taking into conditions of the Group and the other factors set out above, distribute to the Shareholders no less than 50% of the profits available for distribution of the Group.

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 Friday, 17 April 2026 to Monday, 20 April 2026, both days inclusive, during which period no transfer of Shares will be registered. The Shares will be traded ex-dividend as from Wednesday, 15 April 2026. 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 16 April 2026.

For the purpose of ascertaining Shareholders’ entitlement to attend and vote at the forthcoming annual general meeting of the Company, which will be held on Wednesday, 24 June 2026, the Register of Members will be closed from Wednesday, 17 June 2026 to Wednesday, 24 June 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, 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 Tuesday, 16 June 2026.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity and Note 47 to the consolidated financial statements respectively.

Report of the Directors

DISTRIBUTABLE RESERVES

At 31 December 2025, the Company's reserves available for distribution amounted to approximately HK\$196.5 million (31 December 2024: HK\$93.3 million).

DONATIONS

During the Year, the Group made charitable and other donations amounting to approximately HK\$283,000 (2024: HK\$194,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 16 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the Year are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company, including issuance of Shares, during the Year are set out in Note 33 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 183.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the five largest customers of the Group accounted for 45.3% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer amounted to 16.7%. During the Year, the aggregate amount of purchases attributable to the Group's five largest suppliers was less than 30% of the Group's total purchases.

None of the Directors, their close associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) and any Shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued Shares (excluding treasury shares of the Company, if any)) has an interest in the share capital of any of those customers disclosed in the above paragraph.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

DIRECTORS

As at the date of this report, the Directors are as follows:

Executive Directors

Dr. Poon Lok To, Otto (*Founder*)
 Dr. Mak Kin Wah (*Chairman*)
 Mr. Chan Hoi Ming (*Chief Executive Officer*)
 Mr. Cheng Wai Lung
 Mr. Cheng Wai Keung, Peter (*Chief Financial Officer*)

Non-executive Director

Ms. Or Siu Ching, Rerina

Independent Non-executive Directors

Mr. Chan Fu Keung
 Mr. Lam Kin Fung, Jeffrey
 Ms. Shing Mo Han, Yvonne

As at the date of this report, Ms. Or Siu Ching, Rerina has resigned as a non-executive Director with effect from 1 April 2026, after expiry of her term of appointment.

In accordance with bye-law 99 of the Company's bye-laws (the "Bye-laws"), Dr. Poon Lok To, Otto, Dr. Mak Kin Wah, Mr. Cheng Wai Lung, Mr. Cheng Wai Keung, Peter, Mr. Chan Fu Keung and Ms. Shing Mo Han, Yvonne will retire as Directors by rotation at the forthcoming annual general meeting and, all being eligible, offer themselves for re-election as Directors at such meeting.

The Company considered all the independent non-executive Directors to be independent based on the independence guidelines set out in Rule 3.13 of the Listing Rules.

The Directors' biographical details are set out under the section headed "Board of Directors and Senior Management" on pages 28 to 44.

DIRECTORS' SERVICE CONTRACTS

No Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

As far as the Directors are aware, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Report of the Directors

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

As far as the Directors are aware, at no time during the Year had the Company or any of its subsidiaries and the controlling Shareholder or any of its subsidiaries entered into any contract of significance or any contracts of significance for the provision of services by the controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors have an interest in any business which competes or is likely to compete either directly or indirectly, with the business of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the share award schemes of the Company (the "Share Award Schemes") and share option scheme of the Company (the "Share Option Scheme"), at no time during the Year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Details of the Share Award Schemes and the Share Option Scheme are set out in Note 45 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, and subject to the applicable laws and regulations, every Director for the time being acting in relation to any affairs of the Company shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which he shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of his duty or supposed duty in his office, except such (if any) as he shall incur or sustain through his own wilful neglect or default, fraud and dishonesty respectively. Such provision has been in force during the Year and continues to remain in force as at the date of this report. Further details of this provision is set out in bye-law 178 of the Bye-laws which are uploaded on the respective websites of the Company and the Stock Exchange. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company during the Year.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2025, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix C3 to the Listing Rules were as follows:

(i) Interests and/or short positions in the Company

Name of Director	Capacity/ Nature of Interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 3)
Dr. Poon Lok To, Otto	Founder of a discretionary trust (Note 2)	888,650,000	63.48%
Dr. Poon Lok To, Otto	Beneficial owner	43,170,000	3.08%
Mr. Chan Hoi Ming	Beneficial owner	9,800,000	0.70%
Mr. Cheng Wai Lung	Beneficial owner	564,500	0.04%

Notes:

- All the above interests in the Shares are long positions.
- Arling Investment Limited directly held 888,650,000 Shares, representing approximately 63.48% of the total issued share capital of the Company. Arling Investment Limited is wholly-owned by Ardik Investment Limited which is in turn wholly-owned by HSBC International Trustee Limited as trustee of a trust. Dr. Poon Lok To, Otto is the settlor and protector of the trust. Accordingly, Dr. Poon Lok To, Otto is deemed to be interested in the same number of Shares held by Arling Investment Limited under Part XV of the SFO.
- The percentage of shareholding is calculated on the basis of 1,400,000,000 Shares in issue as at 31 December 2025.

Report of the Directors

(ii) Interests and/or short positions in associated corporations of the Company

Name of Director	Capacity/ Nature of Interest	Name of associated corporations (Note 2)	Number of shares held (Note 1)	Percentage of shareholding
Dr. Poon Lok To, Otto	Founder of a discretionary trust (Note 2)	Arling Investment Limited	2	100.00%
Dr. Poon Lok To, Otto	Founder of a discretionary trust (Note 2)	Wise Eagle Holdings Limited	8,463	84.63%

Notes:

- All the above interests in the shares of Arling Investment Limited and Wise Eagle Holdings Limited are long positions.
- As at 31 December 2025, Arling Investment Limited owned approximately 63.48% of the total issued share capital of the Company. Arling Investment Limited also owned 8,463 shares of Wise Eagle Holdings Limited, representing 84.63% of the total issued share capital of Wise Eagle Holdings Limited. Accordingly, Arling Investment Limited, being the holding company of the Company; and Wise Eagle Holdings Limited, being a subsidiary of Arling Investment Limited, are therefore associated corporations of the Company within the meaning of Part XV of the SFO. Arling Investment Limited is wholly-owned by Ardik Investment Limited which is in turn wholly-owned by HSBC International Trustee Limited as trustee of a trust. Dr. Poon Lok To, Otto is the settlor and protector of the trust. Accordingly, Dr. Poon Lok To, Otto is deemed to be interested in (i) the shares of Arling Investment Limited; and (ii) the shares of Wise Eagle Holdings Limited in which Arling Investment Limited is deemed to be interested, under Part XV of the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS/OTHER PERSON'S INTERESTS IN SECURITIES

As at 31 December 2025, the following persons (other than the Directors) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(i) Substantial Shareholders' (as defined in the Listing Rules) interests in securities

Name	Capacity/ Nature of Interest	Number of Shares held (Note 1)	Approximate shareholding percentage (Note 3)
HSBC International Trustee Limited	Trustee of a discretionary trust (Note 2)	888,650,000	63.48%
Ardik Investment Limited	Interest of controlled corporation (Note 2)	888,650,000	63.48%
Arling Investment Limited	Beneficial owner	888,650,000	63.48%
Ms. Cheng Teresa Yeuk Wah ("Ms. Cheng")	Interest of Spouse (Note 2)	931,820,000	66.56%

Notes:

- All the above interests in the Shares are long positions.
- Arling Investment Limited directly held 888,650,000 Shares, representing approximately 63.48% of the total issued share capital of the Company. Arling Investment Limited is wholly-owned by Ardik Investment Limited which is in turn wholly-owned by HSBC International Trustee Limited as trustee of a trust. Dr. Poon Lok To, Otto is the settlor and protector of the trust. Accordingly, each of Ardik Investment Limited, HSBC International Trustee Limited and Dr. Poon Lok To, Otto is deemed to be interested in the 888,650,000 Shares held by Arling Investment Limited under Part XV of the SFO. Dr. Poon Lok To, Otto owns 43,170,000 Shares as beneficial owner. As Ms. Cheng is the spouse of Dr. Poon Lok To, Otto, Ms. Cheng is deemed to be interested in the same number of Shares that Dr. Poon Lok To, Otto is interested in under Part XV of the SFO. According to section 316(1)(a) of the SFO, Ms. Cheng is deemed to be interested in any voting shares in a Hong Kong listed company in which her spouse is interested. Accordingly, Ms. Cheng is taken to be interested in 931,820,000 Shares, while Ms. Cheng does not have any legal or beneficial ownership or financial interests in any of the Shares, directly or indirectly. It follows that Ms. Cheng does not have any rights to the Shares, has no rights to dividend, has no rights to vote and has no rights to deal in respect of the Shares.
- The percentage of shareholding is calculated on the basis of 1,400,000,000 Shares in issue as at 31 December 2025.

Report of the Directors

(ii) Other person's interests in securities

Name	Capacity/ Nature of Interest	Number of Shares held (Note 1)	Approximate shareholding percentage (Note 3)
Mr. Webb David Michael ("Mr. Webb")	Interest of controlled corporation (Note 2)	112,592,000	8.04%
Mrs. Webb Karen Anne ("Mrs. Webb")	Interest of controlled corporation (Note 2)	112,592,000	8.04%

Notes:

- All the above interests in the Shares are long positions.
- Preferable Situation Assets Limited (a company 100% controlled by Mr. Webb and Mrs. Webb) is interested in 65,885,600 Shares. Member One Limited (a company 100% controlled by Mr. Webb and Mrs. Webb) is interested in 46,706,400 Shares. Accordingly, Mr. Webb and Mrs. Webb are deemed to be interested in the 112,592,000 Shares owned by Preferable Situation Assets Limited and Member One Limited under Part XV of the SFO.
- The percentage of shareholding is calculated on the basis of 1,400,000,000 Shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed in the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME AND SHARE AWARD SCHEMES

Details of the Share Award Schemes and the Share Option Scheme are set out in Note 45 to the consolidated financial statements. No share option was granted, exercised, cancelled or lapsed/forfeited under the Share Option Scheme during the Year. Details of the share awards granted under the Share Award Schemes are set out in Note 45 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Other than the Share Award Schemes and the Share Option Scheme adopted by the Company as mentioned above, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

CONNECTED TRANSACTIONS

There was no connected transaction or continuing connected transaction undertaken by the Group during the Year which was required to be disclosed pursuant to Chapter 14A of the Listing Rules. The related party transactions undertaken in the normal course of business by the Group during the Year are disclosed in Note 41 to the consolidated financial statements did not constitute a disclosable connected transaction or a continuing connected transaction under Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult an expert.

INTERNATIONAL SANCTIONS

During the Year, the Group did not enter into any transactions with persons or entities that are currently subject to applicable laws and regulations related to economic sanctions, export controls, and trade embargoes, including those adopted, administered and enforced by the U. S. Government, the European Union and its member states, the United Kingdom, United Nations or the Government of Australia (the "International Sanctions"). Specifically, the Group did not enter into any transactions with: (i) persons or entities listed on the Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List; (ii) entities on the U.S. Bureau of Industry and Security's Entity List, or (iii) person(s) or entities on other restricted party lists maintained by the United States, the European Union, the United Kingdom, the United Nations or Australia (the "Sanctioned Persons").

The risks management committee (sanctions risks) of the Company (the "Risk Management Committee (Sanctions Risks)"), which was established by the Board, will continue to monitor and evaluate the Group's exposure to economic sanctions risks and take measures to comply with the Group's continuing undertakings to the Stock Exchange. The Group has implemented, among others, the following measures upon listing of the Shares on the Stock Exchange:

- The Directors will continuously monitor the use of any remaining proceeds from the global offering of the Company in 2019 to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, countries subject to International Sanctions or Sanctioned Persons where this would be in breach of International Sanctions; and
- The Risk Management Committee (Sanctions Risks) will hold at least two meetings each year to monitor the Group's exposure to sanctions risks. Further, the Risk Management Committee (Sanctions Risks) has written procedures that the Company has followed and will continue to follow whenever any business opportunity or transaction is presented that may pose any sanctions risk to the Group. If any potential sanctions risk is identified, the Company will seek advice from reputable external international legal counsel with necessary expertise and experience in International Sanctions matters.

The Directors are of the view that the measures adopted provide an adequate and effective internal control framework to assist the Group in identifying and monitoring any material risk relating to applicable sanctions laws so as to protect the interests of the Shareholders and the Company.

Report of the Directors

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 Year. The Company and its subsidiaries did not hold any treasury shares during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

The consolidated financial statements for the Year have been audited by Deloitte Touche Tohmatsu, who will retire at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for reappointment.

On behalf of the Board

Dr. Mak Kin Wah

Chairman

Hong Kong, 27 March 2026

Independent Auditor's Report

Deloitte.

TO THE MEMBERS OF ANALOGUE HOLDINGS LIMITED

安樂工程集團有限公司

(incorporated in Bermuda with limited liability)

德勤

OPINION

We have audited the consolidated financial statements of Analogue Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 82 to 182, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p>Accounting for construction contracts</p>	
<p>We identified the accounting for construction contracts as a key audit matter due to its significant impact to the consolidated financial statements and the involvement of significant management estimations in determining the outcome of the construction projects.</p> <p>The Group provides contracting services under long-term contracts with customers. As set out in Note 4 to the consolidated financial statements, the Group recognised contract revenue of a construction contract according to the management's estimation of the outcome of the project as well as the stage of completion of construction works. The Group has recognised revenue from contracting work of approximately HK\$4,753,294,000 for the year ended 31 December 2025 as disclosed in Note 5 to the consolidated financial statements.</p>	<p>Our procedures in relation to the accounting for construction contracts included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the key controls over the preparation and revision of budgets for construction contracts and their revenue recognition process; • Comparing the revenue recognised with the certificates issued by architects, surveyors or other representatives appointed by the customers, progress payment application submitted by the Group to the customer or internal progress reports and relevant supporting documents, on a sample basis; • Conducting site visits to observe the progress of the construction contracts and discussing with site personnel on the status of the projects, on a sample basis; and • Interviewing the project managers to understand the progress of construction contracts, on a sample basis.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Ka Sing (practising certificate number: P06595).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	5	6,087,641	6,450,144
Cost of sales and services		(5,089,880)	(5,447,887)
Gross profit		997,761	1,002,257
Other income	7	19,246	26,012
Other gains and losses	8	(24,950)	(28,890)
Impairment losses under expected credit loss model, net of reversal	37	(19,274)	(85,084)
Selling and distribution expenses		(918)	(1,128)
Administrative expenses		(719,697)	(714,815)
Share of results of associates		(23,746)	(5,759)
Finance costs	9	(17,301)	(21,200)
Profit before tax		211,121	171,393
Income tax expense	10	(48,427)	(37,505)
Profit for the year	11	162,694	133,888
Other comprehensive income (expense)			
<i>Items that will not be reclassified to profit or loss:</i>			
Loss on revaluation of properties		–	(2,479)
Income tax relating to loss on revaluation of properties	10	–	409
Remeasurement of long service payment obligation		(840)	(689)
		(840)	(2,759)
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		26,570	(21,149)
Reclassification of cumulative translation reserve upon dissolution of interest in a subsidiary		–	267
		26,570	(20,882)
Other comprehensive income (expense) for the year, net of tax		25,730	(23,641)
Total comprehensive income for the year		188,424	110,247

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Profit (loss) for the year attributable to:		
Owners of the Company	167,041	135,265
Non-controlling interests	(4,347)	(1,377)
	162,694	133,888
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	192,760	111,646
Non-controlling interests	(4,336)	(1,399)
	188,424	110,247
	HK cents	HK cents
Earnings per share		
Basic	14 12	10
Diluted	14 12	10

Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investment properties	15	15,200	62,540
Property, plant and equipment	16	871,007	908,488
Right-of-use assets	17	49,750	35,572
Intangible assets	18	–	1,532
Interests in associates	19	459,827	459,509
Deposits	24	23,603	9,214
Deferred tax assets	34	25,774	23,729
		1,445,161	1,500,584
Current assets			
Asset classified as held for sale	15	15,800	–
Inventories	21	86,996	81,931
Contract assets	22	1,415,878	1,460,393
Trade receivables	23	1,022,510	958,265
Other receivables, deposits and prepayments	24	124,016	123,024
Amount due from an associate	19	–	–
Amounts due from partners of joint operations	25	5,031	5,959
Derivative financial instruments	30	183	–
Tax recoverable		11,088	8,025
Pledged bank deposits	26	17,106	25,915
Bank balances and cash	26	1,020,849	1,035,936
		3,719,457	3,699,448
Current liabilities			
Trade and retention payables	27	712,138	637,185
Other payables and accrued expenses	28	1,661,181	1,623,543
Contract liabilities	29	128,099	78,032
Amounts due to partners of joint operations	25	21,198	5,649
Bank borrowings – due within one year	31	14,625	247,514
Derivative financial instruments	30	–	2,430
Lease liabilities	32	23,487	13,327
Tax payable		10,967	24,876
		2,571,695	2,632,556
Net current assets		1,147,762	1,066,892
Total assets less current liabilities		2,592,923	2,567,476

Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	33	14,000	14,000
Reserves		2,308,099	2,179,686
Equity attributable to owners of the Company			
Non-controlling interests		(2,949)	1,387
Total equity			
		2,319,150	2,195,073
Non-current liabilities			
Long service payment obligation	46	11,725	9,049
Bank borrowings – due after one year	31	219,375	326,676
Lease liabilities	32	25,359	20,700
Deferred tax liabilities	34	16,227	14,622
Deferred income	35	1,087	1,356
		273,773	372,403
		2,592,923	2,567,476

The consolidated financial statements on pages 82 to 182 were approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Mr. Chan Hoi Ming

Director

Mr. Cheng Wai Keung, Peter

Director

Consolidated Statement of Changes In Equity

For the year ended 31 December 2025

	Share capital HK\$'000	Share premium HK\$'000	Treasury share reserve HK\$'000	Share award reserve HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Subtotal HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2024	14,000	358,704	(20,568)	16,108	5	30,414	(38,329)	25,046	1,740,996	2,126,376	2,786	2,129,162
Profit (loss) for the year	-	-	-	-	-	-	-	-	135,265	135,265	(1,377)	133,888
Other comprehensive expense for the year	-	-	-	-	-	(2,070)	(20,860)	(689)	-	(23,619)	(22)	(23,641)
Total comprehensive (expense) income for the year	-	-	-	-	-	(2,070)	(20,860)	(689)	135,265	111,646	(1,399)	110,247
Transfer to other reserves	-	-	-	-	-	-	-	539	(539)	-	-	-
Dividends recognised as distribution (Note 13)	-	-	-	-	-	-	-	-	(46,856)	(46,856)	-	(46,856)
Recognition of equity-settled share-based payment expense (Note 45)	-	-	-	3,109	-	-	-	-	-	3,109	-	3,109
Shares vested under the share award scheme	-	-	19,242	(19,217)	-	-	-	-	(25)	-	-	-
Purchase of shares under share award schemes (Note 33)	-	-	(451)	-	-	-	-	-	-	(451)	-	(451)
Dissolution of a subsidiary	-	-	-	-	-	-	-	(138)	-	(138)	-	(138)
At 31 December 2024	14,000	358,704	(1,777)	-	5	28,344	(59,189)	24,758	1,828,841	2,193,686	1,387	2,195,073
Profit (loss) for the year	-	-	-	-	-	-	-	-	167,041	167,041	(4,347)	162,694
Other comprehensive income (expense) for the year	-	-	-	-	-	-	26,559	(840)	-	25,719	11	25,730
Total comprehensive income (expense) for the year	-	-	-	-	-	-	26,559	(840)	167,041	192,760	(4,336)	188,424
Transfer to other reserves	-	-	-	-	-	-	-	-	-	-	-	-
Dividends recognised as distribution (Note 13)	-	-	-	-	-	-	-	-	(64,347)	(64,347)	-	(64,347)
At 31 December 2025	14,000	358,704	(1,777)	-	5	28,344	(32,630)	23,918	1,931,535	2,322,099	(2,949)	2,319,150

Notes:

- (a) Other reserves represent legal reserves of subsidiaries in Macau Special Administrative Region ("Macau"), statutory reserves of subsidiaries in the People's Republic of China ("PRC") and reserve on remeasurement of long service payment obligation.

As stipulated by the relevant laws and regulations for enterprises in the PRC, the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of at least 10% of profit after taxation as reflected in the statutory financial statements of the relevant PRC subsidiaries while the amounts and allocation basis are decided by their board of directors annually. The appropriation to statutory surplus reserve may cease if the balance of the statutory surplus reserve has reached 50% of the relevant PRC subsidiaries' registered capital. The statutory surplus reserves can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

In accordance with provision of the Macau Commercial Code, the subsidiaries incorporated in Macau are required to transfer a minimum of 25% of the profit after taxation as reflected in the statutory financial statements of the relevant subsidiaries each year to the legal reserve until the balance of the legal reserve has reached 50% of the respective subsidiaries' registered capital. The legal reserve is not distributable to shareholders of the subsidiaries.

- (b) During the year ended 31 December 2024, the Company purchased its own ordinary shares of an aggregate of 430,000 shares in the market through the trustees of the Company's share award schemes. Details of the treasury shares and the share award schemes are set out in Notes 33 and 45, respectively.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES		
Profit before tax	211,121	171,393
Adjustments for:		
Bank interest income	(7,075)	(13,732)
Amortisation of intangible assets	–	402
Depreciation of property, plant and equipment	50,953	36,343
Depreciation of right-of-use assets	20,901	34,578
Write-down of inventories, net	1,546	4,486
Impairment losses under expected credit loss model, net of reversal	19,274	85,084
Impairment loss on interest in an associate	–	12,645
Impairment loss on property, plant and equipment	227	–
Impairment loss on intangible assets	1,596	–
Loss from change in fair value of investment properties	27,940	3,640
(Gain) loss from change in fair value of derivative financial instruments	(2,354)	4,740
Loss on disposal of property, plant and equipment	1,151	7,952
Loss on disposal of an investment property	1,100	–
Net unrealised exchange (gains) losses	(3,457)	6,235
Share-based payment expense	–	3,109
Share of results of associates	23,746	5,759
Finance costs	17,301	21,200
Loss on dissolution of interest in a subsidiary	–	267
Gain on lease remeasurement	–	(126)
Loss (gain) on derecognition of right-of-use assets and lease liabilities under early termination	4	(86)
Operating cash flows before movements in working capital	363,974	383,889

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
(Increase) decrease in inventories	(4,067)	667
Decrease (increase) in contract assets	46,326	(171,079)
(Increase) decrease in trade receivables	(76,131)	187,421
(Increase) decrease in other receivables, deposits and prepayments	(4,225)	26,143
Increase (decrease) in trade and retention payables	71,927	(136,008)
Increase (decrease) in other payables and accrued expenses	40,053	(131,221)
Increase (decrease) in contract liabilities	48,550	(67)
Decrease in deferred income	(269)	(269)
Cash generated from operations	486,138	159,476
Hong Kong Profits Tax refund	–	13,853
Hong Kong Profits Tax paid	(60,449)	(20,685)
PRC Enterprise Income Tax refund	53	292
PRC Enterprise Income Tax paid	(27)	(30)
Macau Complementary Tax paid	(5,051)	(4,942)
UK Corporation Tax paid	–	(287)
UK Corporation Tax refund	302	–
PRC withholding tax paid	(815)	(765)
Payments arising from net settlement of derivative financial instruments	(259)	(842)
NET CASH GENERATED FROM OPERATING ACTIVITIES	419,892	146,070
INVESTING ACTIVITIES		
Bank interest income received	7,075	13,732
Additions of property, plant and equipment	(18,368)	(148,061)
Deposits paid for acquisition of property, plant and equipment	(13,264)	(7,264)
Government grant received for property, plant and equipment	–	777
Proceeds on disposal of property, plant and equipment	35	33
Proceeds on disposal of an investment property	2,500	–
Payments for rental deposits	(1,368)	(979)
Refund of rental deposits	5,534	1,540
Placement of pledged bank deposits	(16,669)	(11,143)
Release of pledged bank deposits	26,461	7,036
Advance to partners of joint operations	–	(213)
Repayments from partners of joint operations	928	–
Advance to an associate	(16,800)	(12,800)
Dividend received from an associate	7,263	7,344
NET CASH USED IN INVESTING ACTIVITIES	(16,673)	(149,998)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
FINANCING ACTIVITIES		
Finance costs paid	(17,938)	(22,183)
Purchase of shares under share award schemes	–	(451)
New bank borrowings raised	25,000	439,863
Repayment of bank borrowings	(365,418)	(185,321)
Repayment of lease liabilities	(21,906)	(38,490)
Dividends paid to owners of the Company	(64,347)	(46,856)
Advances from partners of joint operations	15,549	–
Repayments to partners of joint operations	–	(3,516)
NET CASH (USED IN) GENERATE FROM FINANCING ACTIVITIES	(429,060)	143,046
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(25,841)	139,118
CASH AND CASH EQUIVALENTS AT 1 JANUARY	1,035,936	906,424
Effect of foreign exchange rate changes	10,754	(9,606)
TOTAL CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	1,020,849	1,035,936

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL

Analogue Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and the shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 12 July 2019. Its immediate holding company is Arling Investment Limited, a company incorporated in the British Virgin Islands and its ultimate holding company is Ardik Investment Limited, a company incorporated in the British Virgin Islands. Ardik Investment Limited which is in turn wholly owned by HSBC International Trustee Limited as trustee of a trust. Dr. Poon Lok To, Otto (“Dr. Poon”), who is also the executive director of the Company, is the settlor and protector of the trust. Accordingly, Dr. Poon is deemed to be interested in the same number of shares held by Arling Investment Limited under Part XV of the Securities and Futures Ordinance and is the controlling shareholder of the Company.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company acts as an investment holding company. The principal businesses of its major subsidiaries are encompassing (1) 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; (2) 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; (3) provision of total solution for the design, hardware and software development, installation and maintenance of infrastructure communications and security and access systems; and (4) 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.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

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

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

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

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

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

The amendments to HKFRS 9 *Financial Instruments* (“HKFRS 9”) clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

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

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Continued)

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by 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.

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments which are measured at revalued amounts or fair values at the end of each reporting period.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Interests in associates

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* ("HKAS 36") as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies HKFRS 9, including the impairment requirements, to long-term interest in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 *Investments in Associates and Joint Ventures* ("HKAS 28") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the HKFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for investment properties measured at fair value which continue to be measured in accordance with the accounting policies as set out in respective sections.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue from the following major sources: 1) provision of contracting services, 2) provision of maintenance services and 3) sales of goods.

Provision of contracting services

Recognition

The Group provides contracting services under long-term contracts with customers. Such contracts are entered into before the contracting services begin. Under the terms of the contracts, the Group’s customers control the properties during the course of construction by the Group. Revenue from provision of contracting services is therefore recognised over time using output method, i.e. based on surveys of contracting work completed by the Group to date as certified by architects, surveyors or other representatives appointed by the customer, estimated with reference to the progress payment application submitted by the Group to the customer or internal progress reports in relation to the work completed by the Group relative to the remaining goods or services promised under the contract. The directors of the Company consider that output method would faithfully depict the Group’s performance towards complete satisfaction of the performance obligation under HKFRS 15 *Revenue from Contracts with Customers* (“HKFRS 15”).

For contracts that contain variable consideration (i.e. variation order), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled. The Group used the most likely amount method for the estimation of variable consideration.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of the reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

For warranty embedded to the construction contracts, the Group accounts for the warranty in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* unless the warranty provides the customer with a service in addition to the assurance that the contracting work complies with the agreed-upon specifications.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Provision of maintenance services

Recognition

The Group provides maintenance services, including operation and maintenance services to customers. Income is recognised using output method based on time elapsed over the contract period when the relevant services are provided by the Group and the customers simultaneously receive and consume the benefits provided by the Group's performance.

Sales of goods

Recognition

The Group sells goods, including environmental engineering systems, lifts and escalators to customers. Revenue is recognised when control of the goods has transferred according to respective agreed terms of delivery. Revenue is recognised at a point in time when the customer obtains control of the distinct good.

Contract assets for contracting services and maintenance services

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Contract liabilities for contracting services, maintenance services and sales of goods

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Property, plant and equipment

Property, plant and equipment including buildings are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than assets under construction) as described below. Property, plant and equipment are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

Assets under construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

The Group performs revaluations of the properties with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. Any revaluation increase arising on revaluation of land and commercial buildings located in Hong Kong is recognised in other comprehensive income and accumulated in the property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of property, plant and equipment is recognised in profit or loss to the extent that it exceeds the balance, if any, on the property revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Depreciation is recognised so as to write off the cost or valuation of assets other than assets under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use assets include the amounts of the initial measurement of the lease liabilities; and an estimate of costs to be incurred by the Group in restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme, state-managed retirement benefit schemes, the Social Security Fund Contribution in Macau and 401(k) Plan in USA are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plan including the Long Service Payment (“LSP”) under the Hong Kong Employment Ordinance, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group’s defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan’s benefit formula. However, if an employee’s service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. However, if the Group remeasures the net defined benefit liability before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability, taking into account any changes in the net defined benefit liability during the period resulting from contributions or benefit payments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Retirement benefit costs (Continued)

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest on the net defined benefit liability or asset; and
- remeasurement of the net defined benefit liability or asset in other comprehensive income.

For LSP obligation, the Group accounts for the employer Mandatory Provident Fund ("MPF") contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the “other income” line item.

(ii) Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (“FVTOCI”) or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, other receivables and deposits, amounts due from an associate and partners of joint operations, pledged bank deposits and bank balances) and contract assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at the reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, twelve-month ECL (“12-month ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within twelve months after the reporting date. Assessment is done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed individually for debtors with significant balances and credit-impaired balances, and collectively for other debtors based on the Group’s internal credit rating, historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information as described above. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- nature of financial instruments;
- past-due status; and
- nature, size and industry of debtors.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at amortised cost

Financial liabilities (including bank borrowings, trade and retention payables, other payables and amounts due to partners of joint operations) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Share-based payments

Equity-settled share-based payment transactions

Awarded shares granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share award reserve).

For grants of awarded shares that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of awarded shares at the grant date and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of awarded shares that will eventually vest, with a corresponding increase in equity (share award reserve).

At the end of each reporting period, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity (share award reserve).

When trustee of the share award scheme purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is deducted from total equity and is presented as treasury share reserve. No gain or loss is recognised on the transactions of the Company's own shares.

When the trustee transfers the Company's granted shares to grantees upon vesting, the related costs of the granted shares vested are transferred from share award reserve to treasury share reserve. The difference between the amount transferred from share award reserve and the cost of acquiring the treasury shares is debited/credited to retained profits.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the directors of the Company have determined the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition of construction contracts

The Group recognises contract revenue of a construction contract according to the management's estimation of the outcome of the project as well as the stage of completion of construction works, which is determined by output method. The stage of completion is determined based on surveys of contracting work completed by the Group to date as certified by architects, surveyors or other representatives appointed by the customer, estimated with reference to the progress payment application submitted by the Group to the customer or internal progress reports with reference to construction costs incurred in relation to the work completed by the Group relative to the remaining goods or services promised under the contract. Estimated construction revenue is determined in accordance with the terms set out in the relevant contract. Notwithstanding that management reviews and revises the estimates of the contract progresses, the actual outcome maybe higher or lower and this may have significant impact on the revenue and profit recognised.

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group estimates ECL on trade receivables and contract assets which are not assessed individually based on a collective assessment. The ECL rates are based on internal credit ratings taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Notes 37b(ii), 23 and 22.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. 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:

	2025 HK\$'000	2024 HK\$'000
<i>Timing of revenue recognition and category of revenue</i>		
Recognised over time and long-term contracts		
Contracting work	4,753,294	5,080,980
Maintenance work	1,228,537	1,230,123
	5,981,831	6,311,103
Recognised at a point of time and short-term contracts		
Sales of goods	105,810	139,041
	6,087,641	6,450,144

(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 2025 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	5,157,589	1,050,830	134,277
More than one year but not more than two years	3,313,799	593,991	–
More than two years	6,575,871	1,052,354	–
	15,047,259	2,697,175	134,277

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE (CONTINUED)

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 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	4,860,357	1,263,993	155,209
More than one year but not more than two years	2,575,637	373,999	–
More than two years	1,204,704	618,849	–
	<u>8,640,698</u>	<u>2,256,841</u>	<u>155,209</u>

6. 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 technology ("ICT") systems and building technology systems
Lifts and escalators:	Provision of i) total solution for design, supply and installation of a wide range of lifts and escalators offered under the trade name of "Anlev Elex" and ii) repair and maintenance services for lifts and escalators

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. SEGMENT INFORMATION (CONTINUED)

Reconciliation of segment revenue

For the year ended 31 December 2025

	Building services HK\$'000	Environmental engineering HK\$'000	ICBT HK\$'000	Lifts and escalators HK\$'000	Total HK\$'000
Revenue					
– Contracting work	2,867,263	1,138,029	444,117	303,885	4,753,294
– Maintenance work	409,798	396,733	159,466	262,540	1,228,537
– Sales of goods	1,816	56,690	26,756	20,548	105,810
Total revenue	3,278,877	1,591,452	630,339	586,973	6,087,641

For the year ended 31 December 2024

	Building services HK\$'000	Environmental engineering HK\$'000	ICBT HK\$'000	Lifts and escalators HK\$'000	Total HK\$'000
Revenue					
– Contracting work	3,506,706	851,692	450,361	272,221	5,080,980
– Maintenance work	421,515	426,091	141,877	240,640	1,230,123
– Sales of goods	4,796	70,346	47,911	15,988	139,041
Total revenue	3,933,017	1,348,129	640,149	528,849	6,450,144

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. SEGMENT INFORMATION (CONTINUED)

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 2025

	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	3,278,877	1,591,452	630,339	586,973	–	6,087,641
– inter-segment	5,816	–	38,713	472	(45,001)	–
Total revenue	3,284,693	1,591,452	669,052	587,445	(45,001)	6,087,641
Segment profit	106,538	88,535	45,409	14,954	–	255,436
Loss on disposal of an investment property						(1,100)
Share of result of an associate						(9,285)
Bank interest income						7,075
Finance costs						(17,301)
Unallocated income/gains						8,742
Unallocated expenses/losses						(32,446)
Profit before tax						211,121
Income tax expense						(48,427)
Profit for the year						162,694
Other segment information						
Depreciation of property, plant and equipment	1,465	1,757	352	5,899	41,480	50,953
Depreciation of right-of-use assets	6,630	8,000	1,459	4,472	340	20,901
Impairment loss on intangible assets	–	–	–	–	1,596	1,596
Impairment losses recognised under expected credit loss model, net	5,739	7,091	3,862	2,546	36	19,274
Loss on disposal of property, plant and equipment	24	7	4	67	1,049	1,151
Share of results of associates	–	16,800	–	(2,339)	9,285	23,746
Write-down of inventories, net	68	–	1,036	442	–	1,546

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the year ended 31 December 2024

	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	3,933,017	1,348,129	640,149	528,849	–	6,450,144
– inter-segment	47,609	–	75,844	2,812	(126,265)	–
Total revenue	3,980,626	1,348,129	715,993	531,661	(126,265)	6,450,144
Segment profit	56,315	98,362	42,553	24,600	–	221,830
Share of result of an associate						6,107
Impairment loss on interest in an associate						(12,645)
Bank interest income						13,732
Finance costs						(21,200)
Unallocated income/gains						1,580
Unallocated expenses/losses						(38,011)
Profit before tax						171,393
Income tax expense						(37,505)
Profit for the year						133,888
Other segment information						
Depreciation of property, plant and equipment	1,335	1,946	563	5,685	26,814	36,343
Depreciation of right-of-use assets	6,761	3,599	2,037	3,125	19,056	34,578
Amortisation of intangible assets	–	–	–	–	402	402
Impairment losses recognised (reversed) under expected credit loss model, net	78,074	(7,848)	13,349	(240)	1,749	85,084
Loss (gain) on disposal of property, plant and equipment	6	(3)	11	44	7,894	7,952
Share of results of associates	–	12,800	–	(934)	(6,107)	5,759
Write-down of inventories, net	126	–	1,697	2,663	–	4,486

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs, certain other income, certain other gains and losses, loss on disposal of an investment property, share of result of an associate, impairment loss on interest in an associate, bank interest income 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. SEGMENT INFORMATION (CONTINUED)

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:

	2025 HK\$'000	2024 HK\$'000
Customer A*	1,017,256	1,206,645
Customer B*	705,960	N/A [#]

* Revenue from all four segments.

[#] The corresponding revenue did not contribute 10% of the total revenue of the Group.

Geographical information

The Group's operations are located in Hong Kong, Macau, the Chinese Mainland, the United Kingdom ("UK"), the 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.

	2025 HK\$'000	2024 HK\$'000
Revenue		
Hong Kong	5,585,641	5,492,957
Macau	170,855	615,684
Chinese Mainland	158,008	214,936
UK	164,998	126,019
Others	8,139	548
Total	6,087,641	6,450,144

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

Information about the Group's non-current assets other than financial instruments and deferred tax assets is presented based on the geographical location of the assets/operation of associates.

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Hong Kong	889,347	945,222
Chinese Mainland	345,762	348,503
Macau	1,177	2,334
UK	9,648	10,807
USA	170,378	168,039
Total	1,416,312	1,474,905

7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Bank interest income	7,075	13,732
Government subsidies	3,219	6,760
Rental income	116	–
Service income	6,830	931
Sundry income	2,006	4,589
	19,246	26,012

8. OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Loss from change in fair value of investment properties	(27,940)	(3,640)
Loss on disposal of property, plant and equipment	(1,151)	(7,952)
Loss on disposal of an investment property	(1,100)	–
Impairment loss on interest in an associate (Note 19)	–	(12,645)
Impairment loss on intangible assets	(1,596)	–
Impairment loss on property, plant and equipment	(227)	–
Net exchange gain (losses)	7,068	(4,598)
Gain on lease remeasurement	–	126
(Loss) gain on derecognition of right-of-use assets and lease liabilities under early termination	(4)	86
Loss on dissolution of interest in a subsidiary	–	(267)
	(24,950)	(28,890)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on bank borrowings	14,589	18,047
Interest on lease liabilities	2,424	2,006
Ancillary costs in respect of banking facilities	288	2,578
Total finance costs	17,301	22,631
Less: amount capitalised in the cost of qualifying assets	–	(1,431)
	17,301	21,200

10. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax		
Hong Kong	46,457	38,877
Macau	2,345	4,951
PRC Enterprise Income Tax	840	3,443
	49,642	47,271
(Over)underprovision in prior years		
Hong Kong	(76)	(3,207)
Macau	99	(802)
PRC Enterprise Income Tax	(354)	(1)
UK	(321)	(46)
	(652)	(4,056)
	48,990	43,215
Deferred tax (Note 34)	(563)	(5,710)
	48,427	37,505

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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.

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For the year ended 31 December 2025

10. INCOME TAX EXPENSE (CONTINUED)

During the year ended 31 December 2024, the Hong Kong Inland Revenue Department allowed a Hong Kong subsidiary of the Group in Hong Kong to share and utilise the tax loss of approximately HK\$11,741,000 from its associate in Hong Kong under section 19C(5) of the Inland Revenue Ordinance for the year ended 31 December 2023. Therefore, overprovision of income tax expense in prior year of approximately HK\$1,937,000 was recognised by such Hong Kong subsidiary during the year ended 31 December 2024.

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. A subsidiary of the Company is qualified as advanced technology enterprise and has obtained approval from the relevant tax authority for the applicable tax rate reduced to 15% for a period of three years up to 2024. Such qualification was renewed for another 3 years in 2024.

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 Chinese Mainland 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. Whereas the Hong Kong resident company directly owns less than 25% of the capital of the Mainland company, 10% dividend withholding tax rate is applicable. During the year ended 31 December 2025, 5% and 10% withholding tax rates were used for the Company’s subsidiaries and the Group’s associate, respectively (2024: 5% and 10%, respectively).

A provision for dividend withholding tax of approximately HK\$1,523,000 was credited to profit or loss for the year ended 31 December 2025 (2024: a provision for dividend withholding tax of approximately HK\$1,166,000 was charged). During the year ended 31 December 2025, withholding tax of approximately HK\$726,000 (2024: HK\$765,000) was paid by the Group. The above resulted in a net provision for dividend withholding tax of approximately HK\$2,249,000 (2024: HK\$401,000 charged) credited to profit or loss for the year ended 31 December 2025.

The main rate of UK Corporation Tax is 25% for the financial year beginning on 1 April 2023 (previously 19% in the financial year beginning on 1 April 2022). This main rate applies to companies with profits in excess of British pounds (“GBP”) 250,000. For UK resident companies with augmented profits below GBP50,000, a lower rate of 19% is generally applicable. For companies with augmented profits between GBP50,000 and GBP250,000, there is a sliding scale of tax rates. During the years ended 31 December 2025 and 2024, the UK Corporation Tax of 19% was applied by the Group’s subsidiaries as the assessable profits were below GBP50,000.

The Group is operating in certain jurisdictions where the Global Anti-base Erosion Rules (“Pillar Two Rules”) are effective. However, as the Group’s consolidated annual revenue does not exceed European dollar (“EUR”) 750 million in at least two of the four fiscal years preceding the tested year. Therefore, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

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For the year ended 31 December 2025

10. INCOME TAX EXPENSE (CONTINUED)

The income tax expense for the year can be reconciled to profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before tax	211,121	171,393
Tax at Hong Kong Profits Tax rate of 16.5%	34,835	28,280
Tax effect of share of results of associates	3,918	950
Tax effect of expenses not deductible for tax purpose	12,250	8,995
Tax effect of income not taxable for tax purpose	(2,862)	(1,046)
Tax effect of super deduction for research and development expenses (Note)	(2,286)	(2,303)
Tax effect of tax losses not recognised	6,641	5,532
Utilisation of tax losses not recognised in prior years	(1,515)	(902)
Effect of different tax rate of subsidiaries operating in other jurisdictions	(1,502)	(695)
Withholding tax on distributable profits of subsidiaries and an associate	(1,673)	1,166
Income tax at concessionary rate	(330)	(349)
Overprovision in prior years	(652)	(4,056)
Others	1,603	1,933
Income tax expense for the year	48,427	37,505

Note: In Hong Kong, the qualifying research and development expenditures classified as Type B expenditure under section 16B of the Inland Revenue Ordinance are eligible for 300% tax deduction for the first HK\$2 million and 200% deduction for the remainder.

Tax effect relating to components of other comprehensive (expense) income is as follows:

	2025			2024		
	Before-tax amount HK\$'000	Tax credit HK\$'000	Net-of-tax amount HK\$'000	Before-tax amount HK\$'000	Tax credit HK\$'000	Net-of-tax amount HK\$'000
Loss on revaluation of properties	-	-	-	(2,479)	409	(2,070)

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For the year ended 31 December 2025

11. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging (crediting):		
Staff costs (including directors' remuneration):		
– Directors' remuneration (Note 12)	22,759	23,640
– Salaries and other benefits (excluding directors)	1,431,846	1,376,920
– Retirement benefit scheme contributions (excluding directors)	70,379	65,274
– Share-based payment expense (excluding directors)	–	1,297
	1,524,984	1,467,131
Cost of inventories recognised as expenses (included in cost of sales and services)	252,247	325,372
Amortisation of intangible assets	–	402
Depreciation of property, plant and equipment	50,953	36,343
Depreciation of right-of-use assets	20,901	34,578
Write-down of inventories, net	1,546	4,486
(Gain) loss from change in fair value of derivative financial instruments	(2,613)	3,898
Rental income from investment properties	(116)	–
Less: direct operating expenses incurred for investment properties that generated rental income during the year	24	–
Less: direct operating expenses incurred for investment properties that did not generate rental income during the year	344	167
	252	167
Auditors' remuneration	5,865	5,888

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES

(a) Directors and chief executive

Directors' and chief executives' remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

For the year ended 31 December 2025

	Directors' fee HK\$'000	Salaries and other allowances HK\$'000	Performance related bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	Share-based payments HK\$'000	Total HK\$'000
	(Note i)					
Executive directors:						
Dr. Poon (Note ii)	-	2,167	292	93	-	2,552
Dr. Mak Kin Wah (Note ii)	-	2,910	1,858	134	-	4,902
Mr. Chan Hoi Ming	-	2,863	1,985	132	-	4,980
Mr. Cheng Wai Keung, Peter (Note iii)	-	2,608	1,257	118	-	3,983
Mr. Cheng Wai Lung	-	2,342	1,236	106	-	3,684
Non-executive director:						
Ms. Or Siu Ching, Rerina	-	1,200	-	18	-	1,218
Independent non-executive directors:						
Mr. Chan Fu Keung	480	-	-	-	-	480
Mr. Lam Kin Fung, Jeffrey	480	-	-	-	-	480
Ms. Shing Mo Han, Yvonne	480	-	-	-	-	480
	1,440	14,090	6,628	601	-	22,759

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12. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES (CONTINUED)

(a) Directors and chief executive (Continued)

For the year ended 31 December 2024

	Directors' fee HK\$'000	Salaries and other allowances HK\$'000	Performance related bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	Share-based payments HK\$'000	Total HK\$'000
	(Note i)					
Executive directors:						
Dr. Poon (Note ii)	–	2,263	1,021	93	–	3,377
Dr. Mak Kin Wah (Note ii)	–	2,695	1,236	113	–	4,044
Mr. Chan Hoi Ming	–	2,787	2,128	128	1,714	6,757
Mr. Cheng Wai Keung, Peter (Note iii)	–	2,123	960	97	–	3,180
Mr. Cheng Wai Lung	–	2,292	1,131	103	98	3,624
Non-executive director:						
Ms. Or Siu Ching, Rerina	–	1,200	–	18	–	1,218
Independent non-executive directors:						
Mr. Chan Fu Keung	480	–	–	–	–	480
Mr. Lam Kin Fung, Jeffrey	480	–	–	–	–	480
Ms. Shing Mo Han, Yvonne	480	–	–	–	–	480
	1,440	13,360	6,476	552	1,812	23,640

Notes:

- (i) The performance related bonus is determined by reference to the Group's performance for respective years.
- (ii) Dr. Mak Kin Wah was redesignated from non-executive director to executive director and was appointed as the Chairman of the board of directors in place of Dr. Poon, and Dr. Poon continues to serve as the founder of the Group and an executive director with effect from 1 March 2024.
- (iii) Mr. Cheng Wai Keung, Peter was appointed as executive director with effect from 1 March 2024.

The emoluments of the executive directors shown above were for their services in connection with the management affairs of the Group and the Company. The emoluments of the non-executive director and the independent non-executive directors shown above were mainly for their services as directors of the Company.

None of the directors of the Company has waived or agreed to waive any remuneration during the year (2024: Nil).

Details of the share award schemes are set out in the Note 45 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES (CONTINUED)

(b) Five highest paid employees

The five highest paid individuals of the Group included four directors (2024: four), whose emoluments are included in the disclosures above. The emoluments of the remaining one (2024: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	1,786	2,029
Performance related bonus	1,158	1,235
Retirement benefit scheme contributions	83	93
Share-based payment expense	–	73
	3,027	3,430

The number of the highest paid employees who are not the director of the Company whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$3,000,001 to HK\$3,500,000	1	1

No amount was paid by the Group to the directors of the Company or the top five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2024: Nil).

13. DIVIDENDS

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

	2025 HK\$'000	2024 HK\$'000
2025 interim dividend – HK2.6 cents (2024: 2024 interim dividend – HK2.38 cents) per share	36,370	32,993
2024 second interim dividend – HK2 cents (2024: 2023 second interim dividend – HK1 cent) per share	27,977	13,863
	64,347	46,856

Subsequent to the end of the reporting period, a second interim dividend in respect of the year ended 31 December 2025 of HK2.9 cents per ordinary share in an aggregate amount of approximately HK\$40,566,000 (2024: HK2 cents per ordinary share in an aggregate amount of approximately HK\$27,977,000 for the year ended 31 December 2024), has been resolved by the board of directors of the Company to pay to the shareholders of the Company.

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For the year ended 31 December 2025

14. EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	167,041	135,265
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,398,840,000	1,386,700,345
Effect of dilutive potential ordinary shares	–	6,815,014
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	1,398,840,000	1,393,515,359

During the years ended 31 December 2025 and 2024, 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.

The computation of diluted earnings per share assumed the effect of certain Company's awarded shares for the year ended 31 December 2024. Save as the awarded shares mentioned above, there were no other dilutive potential ordinary shares in existence during the year ended 31 December 2024. There were no dilutive potential ordinary shares in existence during the year ended 31 December 2025.

During the years ended 31 December 2025 and 2024, the earnings for the purpose of calculating diluted earnings per share have not been adjusted for any changes in the Group's share of result of an associate that was 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 as it is anti-dilutive.

15. INVESTMENT PROPERTIES/ASSET CLASSIFIED AS HELD FOR SALE

	2025 HK\$'000	2024 HK\$'000
FAIR VALUE		
At beginning of the year	62,540	4,480
Transfer from property, plant and equipment (Note 16)	–	61,700
Change in fair value	(27,940)	(3,640)
Reclassified as held for sale	(15,800)	–
Disposal	(3,600)	–
At end of the year	15,200	62,540

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For the year ended 31 December 2025

15. INVESTMENT PROPERTIES/ASSET CLASSIFIED AS HELD FOR SALE (CONTINUED)

The fair value of the Group's investment properties as at 31 December 2025 and 2024 has been arrived at on the basis of a valuation carried out on the respective dates by Jones Lang LaSalle Limited, an independent qualified professional valuer not connected with the Group. Jones Lang LaSalle Limited is a member of the Hong Kong Institute of Surveyors having appropriate qualifications and recent experience in valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, is arrived at direct comparison method by reference to market evidence of transaction prices for similar properties in the same locations and conditions, and on the assumption that the Group's current use of its investment properties is at its highest and best use. There has been no changes from the valuation technique used in prior year.

During the year ended 31 December 2025, the Group disposed of an investment property at HK\$2,500,000.

In December 2025, the Group entered into a sale and purchase agreement for another investment property with a third party. Accordingly, this investment property had been reclassified as held for sale. The transaction is completed in March 2026. The fair value of this investment property on the date of reclassification has been arrived on the basis of a valuation carried out by Jones Lang LaSalle Limited. The valuation, which conforms to International Valuation Standards, is arrived at direct comparison method by reference to market evidence of transaction prices for similar properties in the similar locations and conditions. The net proceeds of disposal are expected to recover the carrying amount of the relevant net assets as of 31 December 2025 and accordingly, no impairment loss has been recognised.

During the year ended 31 December 2024, two commercial buildings were reclassified to investment properties from property, plant and equipment upon the unveiling of ATAL Tower due to the end of owner occupation. As at the date of change of use, the fair value of the two commercial buildings was arrived at on the basis of the valuations carried out by Jones Lang LaSalle Limited. The above valuations, which conform to International Valuation Standards, are arrived at direct comparison method by reference to market evidence of transaction prices for similar properties in the similar locations and conditions.

Details of the Group's investment properties and information about the fair value hierarchy are as follows:

	Fair value hierarchy	Fair value	
		2025 HK\$'000	2024 HK\$'000
Commercial property units located in Hong Kong	Level 2	15,200	62,540

The Group's investment properties in Hong Kong for rental purpose are measured by using the fair value model and are classified and accounted for as investment properties. In the opinion of the directors of the Company, the quoted prices (unadjusted) for similar properties that the Group can access at the measurement dates are not transacted in active market, and thus the fair value hierarchy is classified as Level 2. The rental income earned by the Group from the investment properties for the year ended 31 December 2025 amounted to approximately HK\$116,000 (2024: Nil).

The investment properties have been pledged to secure the general banking facilities granted to the Group at 31 December 2025 and 2024 as set out in Note 40(i).

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16. PROPERTY, PLANT AND EQUIPMENT

	Revitalised building in Hong Kong HK\$'000	Commercial buildings in Hong Kong HK\$'000	Building in the PRC HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Machinery and equipment HK\$'000	Motor vehicles HK\$'000	Moulds HK\$'000	Assets under construction HK\$'000	Total HK\$'000
COST OR VALUATION										
At 1 January 2024	-	64,900	34,011	25,061	6,818	156,280	24,233	395	718,232	1,029,930
Additions	-	-	-	68,592	6,624	28,498	3,175	-	60,958	167,847
Disposals	-	-	-	(15,912)	(135)	(1,214)	(1,133)	-	-	(18,394)
Loss on revaluation	-	(3,200)	-	-	-	-	-	-	-	(3,200)
Transfers	760,389	-	-	-	1,894	1,135	-	-	(763,418)	-
Transfers to investment properties (Note 15)	-	(61,700)	-	-	-	-	-	-	-	(61,700)
Exchange realignment	-	-	(1,212)	(99)	(127)	(1,802)	(135)	-	(550)	(3,925)
At 31 December 2024	760,389	-	32,799	77,642	15,074	182,897	26,140	395	15,222	1,110,558
Additions	-	-	-	5,183	220	5,393	4,413	-	3,159	18,368
Construction cost adjustments	(6,035)	-	-	-	-	-	-	-	-	(6,035)
Disposals	-	-	-	(11,597)	(3,270)	(9,855)	(961)	-	-	(25,683)
Transfers	-	-	242	-	77	3,749	-	-	(4,068)	-
Exchange realignment	-	-	1,363	175	209	2,424	176	-	788	5,135
At 31 December 2025	754,354	-	34,404	71,403	12,310	184,608	29,768	395	15,101	1,102,343
DEPRECIATION										
At 1 January 2024	-	-	25,798	20,909	4,492	110,961	16,228	395	-	178,783
Charged for the year	7,604	721	971	7,207	1,365	15,018	3,457	-	-	36,343
Elimination on disposals	-	-	-	(8,048)	(123)	(1,119)	(1,119)	-	-	(10,409)
Elimination on revaluation	-	(721)	-	-	-	-	-	-	-	(721)
Exchange realignment	-	-	(938)	(78)	(53)	(767)	(90)	-	-	(1,926)
At 31 December 2024	7,604	-	25,831	19,990	5,681	124,093	18,476	395	-	202,070
Charged for the year	15,026	-	810	11,249	1,996	18,366	3,506	-	-	50,953
Impairment loss recognised	-	-	-	-	15	44	168	-	-	227
Elimination on disposals	-	-	-	(11,597)	(2,802)	(9,225)	(873)	-	-	(24,497)
Exchange realignment	-	-	1,115	124	87	1,131	126	-	-	2,583
At 31 December 2025	22,630	-	27,756	19,766	4,977	134,409	21,403	395	-	231,336
CARRYING VALUES										
At 31 December 2025	731,724	-	6,648	51,637	7,333	50,199	8,365	-	15,101	871,007
At 31 December 2024	752,785	-	6,968	57,652	9,393	58,804	7,664	-	15,222	908,488

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16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above property, plant and equipment, except assets under construction, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Revitalised building in Hong Kong	Over the shorter of lease term, or 50 years
Commercial buildings in Hong Kong	Over the lease term of the land lease
Building in the PRC	2.6% – 5%
Leasehold improvements	Over the shorter of lease term, or 15% – 33 $\frac{1}{3}$ %
Furniture and fixtures	15% – 33 $\frac{1}{3}$ %
Machinery and equipment	9% – 33 $\frac{1}{3}$ %
Motor vehicles	18% – 25%
Moulds	15%

During the year ended 31 December 2024, the Group's commercial buildings had been transferred to investment properties due to change of use to rental purpose.

As at 31 December 2025 and 2024, ATAL Tower, certain of its leasehold improvements, furniture and fixtures, and machinery and equipment have been pledged to secure the bank borrowing of the Company.

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17. RIGHT-OF-USE ASSETS

	Leasehold lands in the PRC HK\$'000	Leased properties HK\$'000	Motor vehicles HK\$'000	Office equipment HK\$'000	Total HK\$'000
As at 31 December 2025					
Carrying amount	2,348	32,125	5,771	9,506	49,750
As at 31 December 2024					
Carrying amount	2,324	16,793	4,233	12,222	35,572
For the year ended 31 December 2025					
Depreciation charge	84	16,322	1,779	2,716	20,901
For the year ended 31 December 2024					
Depreciation charge	84	32,086	866	1,542	34,578
				2025 HK\$'000	2024 HK\$'000
Expense relating to short-term leases				6,313	8,710
Total cash outflow for leases				30,643	49,206
Additions to right-of-use assets				37,559	29,598

The Group leases various offices, warehouses, motor vehicles and office equipment for its operations. Lease contracts are entered into for fixed term of one to eight and a half years (2024: one to eight and a half years) with fixed lease payments, but may have extension options as described below. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group regularly entered into short-term leases for parking, offices and warehouses. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses as disclosed above.

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17. RIGHT-OF-USE ASSETS (CONTINUED)

The Group had extension options in a number of leases for 10 offices and warehouses in 2024 (2025: Nil). These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The potential exposures to these future lease payments for extension options in which the Group is not reasonably certain to exercise is summarised below:

	Lease liabilities recognised as at 31 December 2024 HK\$'000	Potential future lease payments not included in lease liabilities (Undiscounted) 31 December 2024 HK\$'000
Offices	16,152	1,853
Warehouses	659	1,332
Printing machineries	12,445	–
Motor vehicles	4,220	–
Others	551	–
	<u>34,027</u>	<u>3,185</u>

The following table summarised the additional lease liabilities recognised during the year as a result of exercising extension option that the Group was not reasonably certain to exercise:

	Extension option exercisable No. of leases 31 December 2024	Extension option exercised No. of leases 31 December 2024
Offices	9	2
Warehouses	1	–
	<u>10</u>	<u>2</u>
Additional lease liabilities recognised (HK\$'000)		<u>1,632</u>

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 December 2025, there was no such triggering event. During the year ended 31 December 2024, the Group had reassessed lease period of its leased offices as a result of the relocation plan in 2024.

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18. INTANGIBLE ASSETS

	Backlog contracts HK\$'000	Customer relationship HK\$'000	Patents HK\$'000	Total HK\$'000
COST				
At 1 January 2024	547	1,841	9,442	11,830
Exchange realignment	(11)	(38)	–	(49)
At 31 December 2024	536	1,803	9,442	11,781
Exchange realignment	40	135	–	175
At 31 December 2025	576	1,938	9,442	11,956
AMORTISATION AND IMPAIRMENT				
At 1 January 2024	342	81	9,442	9,865
Amortisation	206	196	–	402
Exchange realignment	(12)	(6)	–	(18)
At 31 December 2024	536	271	9,442	10,249
Impairment	–	1,596	–	1,596
Exchange realignment	40	71	–	111
At 31 December 2025	576	1,938	9,442	11,956
CARRYING VALUES				
At 31 December 2025	–	–	–	–
At 31 December 2024	–	1,532	–	1,532

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Backlog contracts	8 months
Customer relationship	9.4 years
Patents	Over 17 years

For the year ended 31 December 2025, a UK subsidiary was loss-making and its financial performance was below projections. It is assessed that the recoverable amount of intangible assets in relation to this UK subsidiary was lower than its carrying value. Therefore, an impairment loss on intangible assets of approximately HK\$1,596,000 was recognised during the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. INTERESTS IN ASSOCIATES/AMOUNT DUE FROM AN ASSOCIATE

	2025 HK\$'000	2024 HK\$'000
Investment cost		
Listed outside Hong Kong (Note i)	91,817	91,817
Unlisted (Notes ii and iii)	240,840	240,840
Impairment loss recognised (Note iii)	(137,245)	(137,245)
Share of post-acquisition profits and other comprehensive income, net of dividends received	264,415	264,097
Interests in associates	459,827	459,509
Fair value of listed investment (Note iv)	811,950	748,689
Amount due from an associate (Note v)	148,027	131,227
Less: Share of post-acquisition losses in excess of the cost of investment	(148,027)	(131,227)
	–	–

Notes:

- (i) As at 31 December 2025, included in the investment cost, there is a goodwill of approximately HK\$11,872,000 (2024: HK\$11,872,000) arising from the investment in Nanjing Canatal Data-Centre Environmental Tech Co., Ltd. ("NCA").
- (ii) As at 31 December 2025, included in the investment cost, there is a goodwill of approximately HK\$137,245,000 (2024: HK\$137,245,000) arising from the investment in Transel Elevator & Electric Inc. ("TEI"). During the year ended 31 December 2024, an impairment loss of approximately HK\$12,645,000 had been recognised in respect of the Company's investment in TEI and details are set out in Note 19(iii) below. The relevant goodwill was fully impaired as of 31 December 2024.
- (iii) The Group performed impairment assessment on the interest in TEI for the year ended 31 December 2024. The Group engaged a third party qualified valuer to perform the valuation. Determining whether impairment loss should be recognised requires an estimation of the recoverable amount of the relevant associate which is the higher of value in use and fair value less costs of disposal. The recoverable amount of the Group's interest in TEI had been determined based on a value in use calculation. The recoverable amount was based on certain key assumptions including discount rate and the estimated cash flows. The value in use calculation used cash flow projections based on financial forecasts approved by management covering a 5-year period with a pre-tax discount rate of 25%. Cash flow projections beyond the 5-year period were extrapolated using a steady 2.1% growth rate. This growth rate did not exceed the average long-term growth rate for the relevant industry in which the business of TEI operates.

Cash flow projections during the forecast period for TEI were also based on management's estimation of cash inflows/outflows including gross revenue, gross margin, operating expenses and working capital requirements during the forecast period. The assumptions and estimations were based on TEI's past performance, management's expectations of the market development. Due to the continuing unfavourable market conditions in the USA, TEI faced a lower than expected demand during the year ended 31 December 2024, its financial performance was less satisfactory than expected. As a result, an impairment loss of approximately HK\$12,645,000 had been recognised in respect of the Group's interest in TEI during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. INTERESTS IN ASSOCIATES/AMOUNT DUE FROM AN ASSOCIATE (CONTINUED)

Notes: (Continued)

- (iv) As at 31 December 2025, the fair value of the Group's interest in NCA, of which shares are listed on the Shanghai Stock Exchange since 1 November 2017, was approximately HK\$811,950,000 (2024: HK\$748,689,000) based on the quoted market price available on the Shanghai Stock Exchange multiplied by the quantity of shares held by the Group, which is a Level 1 input under of HKFRS 13 *Fair Value Measurement*.
- (v) As at 31 December 2025, the amount due from Oscar Bioenergy Joint Venture ("OBJV"), before the Group's share of post-acquisition losses, of approximately HK\$148,027,000 (2024: HK\$131,227,000) which is non-interest bearing, non-trade nature, unsecured and repayable on demand.

The directors of the Company consider the amount due from OBJV forms part of the net investment in OBJV as at 31 December 2025 and 2024. The Group has shared post-acquisition losses that are in excess of the cost of investment amounting to approximately HK\$148,027,000 (2024: HK\$131,227,000) as at 31 December 2025.

Details of the Group's associates at the end of the reporting period are as follows:

Name of associate	Form of business structure	Place of incorporation/ registration/ operation	Percentage of interest held by the Group		Percentage of voting rights held by the Group		Nature of business
			2025	2024	2025	2024	
OBJV	Unincorporated	Hong Kong	40%	40%	40%	40%	Engineering contractor for construction and operation projects
NCA (Note)	Incorporated	The PRC	15.70%	15.70%	15.70%	15.70%	Manufacturing and sale of precision air-conditioners
TEI	Incorporated	The USA	49%	49%	49%	49%	Providing new construction, modernisation, repair and maintenance services in the vertical transportation

Note: The Group is able to exercise significant influence over NCA because the Company owns 15.70% of NCA as at 31 December 2025 and 2024, and appointed two directors out of nine directors.

Notes to the Consolidated Financial Statements

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19. INTERESTS IN ASSOCIATES/AMOUNT DUE FROM AN ASSOCIATE (CONTINUED)

The summarised financial information in respect of the Group's interest in associates which are accounted for using equity method is set out as below:

	OBJV		NCA		TEI	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Revenue	55,184	71,959	801,496	873,817	1,323,602	973,553
(Loss) profit for the year	(46,556)	(37,256)	(59,252)	38,976	4,774	1,902
Other comprehensive income (expense) for the year	117	(151)	92,210	(74,448)	-	-
Total comprehensive (expense) income for the year	(46,439)	(37,407)	32,958	(35,472)	4,774	1,902
Dividends from the associate during the year	-	-	7,263	7,344	-	-
Non-current assets	-	-	1,261,783	893,485	130,877	85,241
Current assets	37,556	44,949	2,430,720	2,573,706	638,515	537,348
Total assets	37,556	44,949	3,692,503	3,467,191	769,392	622,589
Current liabilities	(404,166)	(365,291)	(1,513,238)	(1,131,937)	(341,097)	(218,831)
Non-current liabilities	(1,174)	(1,002)	(188,006)	(331,098)	(80,584)	(60,821)
Net (liabilities) assets	(367,784)	(321,344)	1,991,259	2,004,156	347,711	342,937

Reconciliation of the above summarised financial information to the carrying amount of the interests in associates recognised in the consolidated financial statements:

	OBJV		NCA		TEI	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Net (liabilities) assets	(367,784)	(321,344)	1,991,259	2,004,156	347,711	342,937
Less: non-controlling interest of NCA's subsidiary	N/A	N/A	(542)	(635)	N/A	N/A
	(367,784)	(321,344)	1,990,717	2,003,521	347,711	342,937
Proportion of the Group's interest	40%	40%	15.70%	15.70%	49%	49%
Goodwill	-	-	11,872	11,872	137,245	137,245
Impairment loss recognised	-	-	-	-	(137,245)	(137,245)
Others	-	-	(34,966)	(35,027)	-	-
Carrying amount of the Group's interests in associates	-	-	289,449	291,470	170,378	168,039

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. JOINT ARRANGEMENTS

Joint operations

The Group has joint arrangements carrying out construction projects in the form of joint operations. Details of the Group's principal joint operations at the end of the reporting period are as follows:

Name of project	Form of business structure	Place of operation	Percentage of interest held by the Group		Nature of business
			2025	2024	
ATAL – Degremont Joint Venture*	Unincorporated	Hong Kong	50%	50%	Engineering contractor for construction projects
Veolia – ATAL Joint Venture (formerly known as SITA – ATAL Joint Venture)*	Unincorporated	Hong Kong	50%	50%	Engineering contractor for construction projects
China State – ATAL Joint Venture**	Unincorporated	Hong Kong	48.7%	48.7%	Engineering contractor for construction projects
ATAL – Degremont - China State Joint Venture*	Unincorporated	Hong Kong	27.2%	27.2%	Engineering contractor for construction projects
ATAL – Suez Infrastructure Joint Venture**	Unincorporated	Hong Kong	N/A	50%	Engineering contractor for construction projects
China State – ATAL Joint Venture**	Unincorporated	Hong Kong	49.8%	49.8%	Engineering contractor for construction projects
ATAL – Degremont - China Harbour Joint Venture*	Unincorporated	Hong Kong	31.3%	31.3%	Engineering contractor for construction projects
Suez – ATAL San Wai Joint Venture*	Unincorporated	Hong Kong	35%	35%	Engineering contractor for maintenance projects
ATAL – CW – MH Joint Venture*	Unincorporated	Hong Kong	51.96%	51.96%	Engineering contractor for construction projects
ATAL – BEOD Joint Venture	Unincorporated	Hong Kong	73.2%	73.2%	Engineering contractor for construction projects

* The project was awarded from the HKSAR Government.

The joint operation was de-registered in 2025.

@ The joint operation was in progress of de-registration in 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials, consumable stores and spare parts	70,025	63,175
Work in progress	8,523	8,782
Finished goods	8,448	9,974
	86,996	81,931

22. CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Contract assets	1,494,150	1,538,702
Less: allowances for credit losses	(78,272)	(78,309)
	1,415,878	1,460,393

As at 1 January 2024, contract assets amounted to approximately HK\$1,346,713,000.

The decrease in current year was mainly attributable to decrease in contracting work.

As at 31 December 2025, contract assets include retention receivables of approximately HK\$572,709,000 (2024: HK\$513,650,000). 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.

Details of the impairment assessment are set out in Note 37b(ii).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	928,403	907,080
Less: allowances for credit losses	(109,137)	(90,280)
	819,266	816,800
Unbilled revenue (Note)	197,988	136,315
Bills receivables	5,256	5,150
	1,022,510	958,265

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 settled within twelve months from the end of the reporting period.

As at 1 January 2024, total gross trade receivables including unbilled revenue and bills receivables amounted to approximately HK\$1,243,722,000.

As at 31 December 2025, the Group's bills receivables are of age within one year (2024: within one year).

The Group generally allows credit period ranging from 14 to 90 days (2024: 14 to 90 days). The Group assesses the credit quality of each potential customer and define rating and credit limit for each customer. In addition, the Group reviews the repayment history of receivables by each customer with reference to the payment terms stated in contracts to determine the recoverability of trade receivables. 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:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	467,860	513,363
31 – 90 days	247,147	175,373
91 – 360 days	102,309	126,880
Over 1 year	1,950	1,184
Total	819,266	816,800

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$318,048,000 (2024: HK\$370,572,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$72,215,000 (2024: HK\$89,527,000) 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.

Details of the impairment assessment are set out in Note 37b(ii).

Certain trade receivables were pledged to secure the bank borrowing of the Group. Details are set out in Note 40(ii).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Other receivables	15,900	18,605
Less: allowances for credit losses	(1,784)	(1,749)
	14,116	16,856
Deposits and prepayments (Note)	133,503	115,382
	147,619	132,238
Less: Deposits paid for acquisition of property, plant and equipment (classified as non-current assets)	(20,528)	(7,264)
Less: Rental deposits (classified as non-current assets)	(3,075)	(1,950)
	124,016	123,024

Note: Balance mainly includes prepayments to suppliers, tendering deposits, rental deposits and miscellaneous deposits and prepayments.

25. AMOUNTS DUE FROM (TO) PARTNERS OF JOINT OPERATIONS

The amounts are non-trade nature, unsecured, non-interest bearing and repayable on demand.

26. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits carry interest rates from 1% to 2.1% (2024: 0.2% to 2.75%) per annum representing deposits pledged to banks to secure general banking facilities granted to the Group. Deposits amounting to approximately HK\$17,106,000 (2024: HK\$25,915,000) have been pledged to secure short-term banking facilities and are therefore classified as current assets. The pledged bank deposits will be released upon the release of relevant banking facilities.

Bank balances carry interest at market rates from 0% to 3.65% (2024: 0% to 4.74%) per annum.

27. TRADE AND RETENTION PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	429,147	392,838
Trade payables (unbilled)	103,440	65,783
Retention payables	179,551	178,564
	712,138	637,185

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For the year ended 31 December 2025

27. TRADE AND RETENTION PAYABLES (CONTINUED)

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:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	194,052	198,258
31 – 90 days	158,083	112,183
91 – 360 days	35,688	45,279
Over 1 year	41,324	37,118
	429,147	392,838

28. OTHER PAYABLES AND ACCRUED EXPENSES

	2025 HK\$'000	2024 HK\$'000
Accrued contract costs	1,323,411	1,274,667
Accrued staff costs	143,189	130,360
Provision for litigation liabilities (Note)	150,000	150,000
Others	44,581	68,516
	1,661,181	1,623,543

Note: In November 2022, a cooperation agreement was entered into with the Hong Kong Competition Commission in relation to the resolution of certain legal proceedings. As part of the cooperation agreement, a pecuniary penalty of HK\$150 million was agreed to be paid by a subsidiary of the Company. The Group has accordingly made a provision of HK\$150 million for this litigation settlement during the year ended 31 December 2022. An announcement relating to the cooperation agreement was issued by the Company on 4 November 2022.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Contract liabilities	128,099	78,032

As at 1 January 2024, contract liabilities amounted to approximately HK\$78,643,000.

Revenue recognised during the current year included the amount of contract liabilities at the beginning of the reporting period amounted to approximately HK\$45,802,000 (2024: HK\$44,288,000).

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Construction contracts

When the Group receives a deposit before the construction activity or receives advanced payment during the construction activity, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit or advanced payment.

Sales of goods

The Group receives 30% of the contract value as deposits from customers when they sign the sales contracts. This will result in contract liabilities being recognised until the customers obtain the control of the goods.

30. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 HK\$'000	2024 HK\$'000
Foreign-currency forward contracts classified as current assets	183	–
current liabilities	–	2,430

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30. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Major terms of the foreign-currency forward contracts which were entered into between the Group and banks (banks to sell) are as follows:

As at 31 December 2025:

Notional approximate amount	Maturity	Exchange rate
Sell EUR 22,000	2 April 2026	HK\$9.33/EUR
Sell EUR 163,000	10 April 2026	HK\$9.24/EUR
Sell EUR 29,000	29 April 2026	HK\$9.276/EUR
Sell EUR 13,000	29 April 2026	HK\$9.276/EUR
Sell EUR 66,000	12 May 2026	HK\$9.188/EUR
Sell EUR 36,000	27 May 2026	HK\$9.17/EUR
Sell EUR 1,039,000	30 June 2026	HK\$9.191/EUR
Sell EUR 1,328,000	10 August 2026	HK\$9.05/EUR
Sell Australian dollar ("AUD") 65,000	27 May 2026	HK\$5.072/AUD
Sell GBP 156,000	29 April 2026	HK\$10.617/GBP
Sell GBP 459,000	7 May 2026	HK\$10.5/GBP
Sell GBP 449,000	5 June 2026	HK\$10.426/GBP
Sell Swedish Krona ("SEK") 93,000	24 July 2026	HK\$0.8365/SEK
Sell Renminbi ("RMB") 731,000	11 May 2026	HK\$1.1026/RMB
Sell RMB14,530,000	30 June 2026	HK\$1.1047/RMB

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30. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 December 2024:

Notional approximate amount	Maturity	Exchange rate
Sell EUR 299,000	15 January 2025	HK\$8.505/EUR
Sell EUR 94,000	13 March 2025	HK\$8.496/EUR
Sell EUR 1,000	13 March 2025	HK\$8.496/EUR
Sell EUR 14,000	13 March 2025	HK\$8.496/EUR
Sell EUR 97,000	13 March 2025	HK\$8.496/EUR
Sell EUR 13,000	26 March 2025	HK\$8.447/EUR
Sell EUR 225,000	12 June 2025	HK\$8.655/EUR
Sell EUR 84,000	12 June 2025	HK\$8.655/EUR
Sell EUR 25,000	30 April 2025	HK\$8.516/EUR
Sell EUR 36,000	22 August 2025	HK\$8.27/EUR
Sell EUR 1,575,000	11 September 2025	HK\$8.3097/EUR
Sell EUR 186,000	9 June 2025	HK\$8.686/EUR
Sell EUR 29,000	23 July 2025	HK\$8.5/EUR
Sell EUR 13,000	23 July 2025	HK\$8.5/EUR
Sell EUR 46,000	7 August 2025	HK\$8.446/EUR
Sell EUR 66,000	7 August 2025	HK\$8.446/EUR
Sell AUD 293,000	22 August 2025	HK\$5.085/AUD
Sell GBP 917,000	31 July 2025	HK\$10.0725/GBP
Sell GBP 551,000	29 August 2025	HK\$9.872/GBP
Sell RMB7,730,000	9 July 2025	HK\$1.118/RMB
Sell RMB731,000	4 August 2025	HK\$1.1085/RMB
Sell RMB28,128,000	12 September 2025	HK\$1.084/RMB

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31. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Secured variable-rate bank loans	234,000	419,253
Unsecured variable-rate bank loans	–	154,860
Unsecured fixed-rate bank loan	–	77
	234,000	574,190
Less: amount due within one year shown under current liabilities	(14,625)	(247,514)
Amount shown under non-current liabilities	219,375	326,676
The carrying amounts of the above loans are repayable as follows:		
– within one year	14,625	87,514
– within a period of more than one year but not exceeding two years	14,625	42,368
– within a period of more than two years but not exceeding five years	43,875	108,808
– more than five years	160,875	175,500
	234,000	414,190
The carrying amount of borrowing that contains a repayment on demand clause (shown under current liabilities) but repayable:		
– within one year	–	160,000
	234,000	574,190

As at 31 December 2025, the Group's bank borrowing is denominated in HK\$ and carries interest rate at Hong Kong Interbank Offered Rate ("HIBOR") plus a margin per annum. As at 31 December 2024, the Group's bank borrowings were denominated in HK\$, RMB and GBP and carried interest rates at HIBOR plus a margin per annum, loan prime rate in Chinese Mainland minus a margin per annum, and fixed rate at 2.5% per annum, respectively.

The effective interest rates of bank borrowings range from 1.060% to 6.266% (2024: 2.224% to 6.251%).

As at 31 December 2025, the secured bank borrowing is pledged by (i) ATAL Tower in Hong Kong, (ii) the assignment of rental income from ATAL Tower, if any, (iii) debenture containing fixed and floating charges over all assets of several wholly owned subsidiaries of the Company, and (iv) their issued share capital.

As at 31 December 2024, the secured bank borrowings were pledged by (i) ATAL Tower in Hong Kong, (ii) building in Nanjing, (iii) investing properties in Hong Kong, (iv) the assignment of rental income from ATAL Tower, if any, (v) debenture containing fixed and floating charges over all assets of several wholly owned subsidiaries of the Company, (vi) certain trade receivables and bank deposits of several wholly owned subsidiaries of the Company, and (vii) their issued share capital.

The Group is required to comply with certain restrictive financial and other covenants. The Group has complied with these covenants as of the end of the reporting period.

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32. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	23,487	13,327
Within a period of more than one year but not exceeding two years	13,172	8,994
Within a period of more than two years but not exceeding five years	12,187	11,706
	48,846	34,027
Less: Amount due for settlement within 12 months shown under current liabilities	(23,487)	(13,327)
Amount due for settlement after 12 months shown under non-current liabilities	25,359	20,700

The weighted average incremental borrowing rates applied to lease liabilities range from 3.01% to 5.875% per annum (2024: 3.01% to 5.875%).

33. SHARE CAPITAL

	Number of shares	Number of value per share	Share capital	Presented as HK\$'000
Authorised:				
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	100,000,000,000	HK\$0.01	HK\$1,000,000,000	
Issued and fully paid:				
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	1,400,000,000	HK\$0.01	HK\$14,000,000	14,000

Note: No ordinary share was repurchased during the year ended 31 December 2025. During the year ended 31 December 2024, the Company repurchased its own ordinary shares on the Stock Exchange through the trustees of the Company's share award schemes as follows:

Month of repurchase	Number of ordinary shares of HK\$0.01 each	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
April 2024	430,000	1.08	1.04	451

As at 31 December 2025, 1,160,000 (2024: 1,160,000) of the Company's own ordinary shares are held by the trustees.

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34. DEFERRED TAX

For the purposes of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax liabilities	16,227	14,622
Deferred tax assets	(25,774)	(23,729)
	(9,547)	(9,107)

Deferred tax liabilities (assets) recognised by the Group and the movements thereon during the current and prior years are as follows:

	Withholding tax on distributable profits of subsidiaries and associates HK\$'000	Temporary difference on tax depreciation HK\$'000	ECL provision HK\$'000	Tax loss HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2024	10,947	3,932	(11,677)	(2,243)	4,945	(5,686)	(3,104)	(2,886)
Charged (credited) to profit or loss	401	3,758	2,355	(14,357)	(4,244)	5,075	1,302	(5,710)
Income tax relating to loss on revaluation of properties	-	-	-	-	-	-	(409)	(409)
Exchange realignment	(352)	1	202	-	(18)	-	65	(102)
At 31 December 2024 and 1 January 2025	10,996	7,691	(9,120)	(16,600)	683	(611)	(2,146)	(9,107)
(Credited) charged to profit or loss	(2,249)	3,136	(4,716)	3,244	(96)	551	(433)	(563)
Exchange realignment	485	(4)	(283)	-	23	-	(98)	123
At 31 December 2025	9,232	10,823	(14,119)	(13,356)	610	(60)	(2,677)	(9,547)

At the end of the reporting period, the Group had estimated unused tax losses of approximately HK\$359,465,000 (2024: HK\$320,280,000) available for offset against future profits. Deferred tax assets have been recognised in respect of approximately HK\$80,948,000 (2024: HK\$100,609,000) of such losses as at 31 December 2025. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams.

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34. DEFERRED TAX (CONTINUED)

Unrecognised tax losses will be expired as follows:

	2025 HK\$'000	2024 HK\$'000
– 2026	1,450	2,936
– 2027	3,914	4,988
– 2028	7,513	10,723
– 2029	13,512	13,512
– 2030	25,217	16,614
– 2031	24,502	24,502
– 2032	25,133	25,133
– 2033	15,934	15,934
	117,175	114,342
– Indefinite	161,342	105,329
	278,517	219,671

35. DEFERRED INCOME

	2025 HK\$'000	2024 HK\$'000
At beginning of the year	1,625	1,894
Amortised	(269)	(269)
At end of the year	1,356	1,625
Analysed for reporting purposes as:		
Current (included in other payables and accrued expenses)	269	269
Non-current	1,087	1,356
	1,356	1,625

In 2015, a joint operation was required to provide a 15-year performance bond to Drainage Services Department of the HKSAR Government for a construction project. The performance bond covers the period from January 2015 to December 2029. Under the arrangement, Drainage Services Department would reimburse bond charges incurred on the performance bond and a lump sum of approximately HK\$442,000 was received from Drainage Services Department in 2015. It is amortised on a straight-line basis over 15 years.

In 2016, a joint operation is required to operate a 15-year maintenance workshop for Drainage Services Department for a construction site. The operation of the workshop covers the period from March 2016 to February 2031. Under the arrangement, Drainage Services Department would reimburse the expenses incurred for the workshop and a lump sum of approximately HK\$3,595,000 was received from Drainage Services Department in 2016. It is amortised on a straight-line basis over 15 years.

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For the year ended 31 December 2025

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structures of the Group consist of net debt, which includes the bank borrowings and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of the review, the directors of the Company consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through payment of dividends, new share issues, raising of new debts and repayment of existing debts.

37. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Derivative financial instruments	183	–
Financial assets at amortised cost	2,087,956	2,054,962
Financial liabilities		
Derivative financial instruments	–	2,430
Financial liabilities at amortised cost	974,763	1,228,596

b. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables and deposits, amount due from an associate, amounts due from (to) partners of joint operations, pledged bank deposits and bank balances and cash, trade and retention payables, other payables, bank borrowings, lease liabilities and derivative financial instruments. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(i) Market risk

Currency risk

The Group has foreign-currency bank balances, trade receivables, other receivables, trade and retention payables and other payables, which expose the Group to foreign currency risk. The Group had entered into foreign-currency forward contracts to mitigate its foreign currency risk exposure.

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
EUR	2,072	1,079	14,694	12,333
GBP	2,091	23	891	4,706
RMB	54,884	136,048	8,696	757
United States dollars ("USD")	13,788	15,748	12,722	21,159

Sensitivity analysis

The Group is mainly exposed to fluctuation in EUR, GBP, RMB and USD against HK\$. As HK\$ is pegged to USD under the Hong Kong's linked exchange rate system, the management of the Group is of the opinion that the Group's exposure to the foreign exchange rate risk of USD is minimal.

The following table details the Group's sensitivity to increase and decrease by 2.62%, 2.07% and 4.25% (2024: 2.04%, 2.33% and 4.45%) in HK\$ against RMB, GBP and EUR, respectively. 2.07% to 4.25% (2024: 2.04% to 4.45%) are the sensitivity rates used when reporting foreign currency risk internally to the key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates by reference to the fluctuation of HK\$ against the relevant foreign currencies during the relevant year. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusting the translation for a change in foreign currency rates of 2.07% to 4.25% (2024: 2.04% to 4.45%).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

A positive number indicates an increase, while a negative number indicates a decrease in post-tax profit for the year below when HK\$ is weakened by 2.07% to 4.25% (2024: 2.04% to 4.45%) against the relevant foreign currencies. For a 2.07% to 4.25% (2024: 2.04% to 4.45%) strengthening of HK\$ against the relevant foreign currencies, there would be an equal but opposite impact on the post-tax profit for the year.

	Profit for the year	
	2025 HK\$'000	2024 HK\$'000
EUR	(448)	(418)
GBP	21	(92)
RMB	1,010	2,305

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate lease liabilities (see Note 32 for details) and fixed-rate bank borrowing (see Note 31 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits, bank balances and variable-rate bank borrowings (see Note 31 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on pledged bank deposits, bank balances and HIBOR and loan prime rate in Chinese Mainland arising from the Group's HK\$ and RMB denominated borrowings, respectively. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Sensitivity analysis

The directors of the Company consider that the exposure of cash flow interest rate risk arising from pledged bank deposits and bank balances is not significant as the fluctuation of the interest rates on pledged bank deposits and bank balances is minimal. Accordingly, no sensitivity analysis is prepared and presented.

As at 31 December 2025, if interest rates on variable-rate bank borrowings had been 100 basis points (2024: 100 basis points) higher/lower with all other variables held constant, post-tax profit for the year would be decreased/increased by approximately HK\$4,334,000 (2024: HK\$4,081,000), mainly as a result of higher/lower interest expense on variable-rate bank borrowings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, contract assets, other receivables and deposits, amount due from an associate, amounts due from partners of joint operations, pledged bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets and contract assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

During the year ended 31 December 2025, net impairment allowances of approximately HK\$19,298,000 is recognised (2024: HK\$26,651,000 was recognised), HK\$60,000 is reversed (2024: HK\$56,684,000 was recognised) and HK\$36,000 (2024: HK\$1,749,000) are recognised for trade receivables, contract assets and other receivables, respectively.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt with significant outstanding balances or credit-impaired at the end of the reporting period to ensure that adequate impairment loss is recognised for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group is exposed to concentration of credit risk as at 31 December 2025 on the trade receivables from one of the Group's major customers amounting to approximately HK\$162,473,000 (2024: HK\$104,240,000) and accounted for 14% (2024: 10%) of the Group's total trade receivables. The same customer also amounting to approximately HK\$102,687,000 (2024: HK\$161,707,000) and accounted for 7% (2024: 11%) of the Group's total contract assets. In the opinion of the directors of the Company, this customer is reputable organisation in the market. The directors of the Company consider that the credit risk is limited in this regard.

During the year ended 31 December 2025, certain debtors suffered from various re-organisation and unpaid wages to the labour force, these debtors are assessed individually by an independent valuer as noted to reflect their associated risks with the recoverability of certain trade receivables and contract assets.

In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on collective assessment. Except for debtors with significant outstanding balances or credit-impaired, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped under a collective assessment. During the year ended 31 December 2025, net impairment allowances of approximately HK\$19,298,000 is recognised and HK\$60,000 is reversed (2024: HK\$26,651,000 and HK\$56,684,000 were recognised) for trade receivables and contract assets, respectively. Details of the quantitative disclosures are set out below in this note.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Other receivables and deposits, amount due from an associate and amounts due from partners of joint operations

For other receivables and deposits, amount due from an associate and amounts due from partners of joint operations, the directors of the Company make periodic individual assessment on the recoverability of these receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there are no significant increase in credit risk of deposits and amounts due from partners of joint operations since initial recognition and the Group provided impairment based on 12-month ECL. For the years ended 31 December 2025 and 2024, the Group assessed the ECL for deposits and amounts due from partners of joint operations were insignificant and thus no loss allowance was recognised. During the year ended 31 December 2025, impairment allowance of approximately HK\$36,000 (2024: HK\$1,749,000) was recognised on other receivables which are credit-impaired.

Pledged bank deposits and bank balances

Credit risk on pledged bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12-month ECL for pledged bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on pledged bank deposits and bank balances is considered to be insignificant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL - not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

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37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2025 Gross carrying amount		2024 Gross carrying amount	
					HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets at amortised cost								
Trade receivables (Note)	23	N/A	Low risk	Lifetime ECL (not credit-impaired) (collective assessment)	101,212		71,514	
			Watch list	Lifetime ECL (not credit-impaired) (collective assessment)	223,069		253,144	
			Low risk	Lifetime ECL (not credit-impaired) (individual assessment)	702,452		644,309	
			Loss	Lifetime ECL (credit-impaired) (individual assessment)	104,914	1,131,647	79,578	1,048,545
Other receivables and deposits	24	N/A	Low risk	12-month ECL	22,460		28,887	
			Loss	Lifetime ECL (credit-impaired) (individual assessment)	1,784	24,244	1,749	30,636
Amount due from an associate	19	N/A	Loss	12-month ECL	148,027		131,227	
Amounts due from partners of joint operations	25	N/A	Low risk	12-month ECL	5,031		5,959	
Pledged bank deposits	26	AA2 to A2 (2024: AA2 to A2)	N/A	12-month ECL	17,106		25,915	
Bank balances	26	AA2 to A3 (2024: AA2 to A3)	N/A	12-month ECL	1,020,849		1,035,936	

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For the year ended 31 December 2025

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment: (Continued)

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2025 Gross carrying amount		2024 Gross carrying amount	
					HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other item								
Contract assets (Note)	22	N/A	Low risk	Lifetime ECL (not credit-impaired) (collective assessment)	80,810		44,706	
			Watch list	Lifetime ECL (not credit-impaired) (collective assessment)	253,063		246,923	
			Low risk	Lifetime ECL (not credit-impaired) (individual assessment)	1,064,068		1,166,030	
			Loss	Lifetime ECL (credit-impaired) (individual assessment)	96,209	1,494,150	81,043	1,538,702

Note: For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items by using a collective assessment, grouped by internal credit rating.

Collective assessment – internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on collective assessment within lifetime ECL (not credit-impaired). Trade receivables and contract assets with significant outstanding balances or credit-impaired with gross carrying amounts of approximately HK\$807,366,000 and approximately HK\$1,160,277,000, respectively, as at 31 December 2025 (2024: approximately HK\$723,887,000 and approximately HK\$1,247,073,000) were assessed individually. The average loss rates for debtors with significant outstanding balances that are not credit-impaired are assessed to be less than 1% (2024: less than 1%).

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37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Collective assessment – internal credit rating (Continued)

Gross carrying amount

Internal credit rating	2025			2024		
	Average loss rate	Trade receivables HK\$'000	Contract assets HK\$'000	Average loss rate	Trade receivables HK\$'000	Contract assets HK\$'000
Low risk	3.45%	101,212	80,810	1.26%	71,514	44,706
Watch list	4.32%	223,069	253,063	3.22%	253,144	246,923
		324,281	333,873		324,658	291,629

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information (for example, the macroeconomic conditions affecting the industry and the impact that may result in debtor ability to make payments) that is available without undue cost or effort. The Group rebutted the presumption of default under ECL model for trade receivables over 90 days past due based on good repayment records for those customers and long-term/continuous business with the Group. Large number of small customers are assessed collectively based on historical credit loss experience adjusted by forward looking estimates. Individual customers with significant balances are assessed individually for the credit risk based on their probability of default and exposure of default. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

During the year ended 31 December 2025, the Group recognised impairment allowance of approximately HK\$31,140,000 (2024: HK\$19,117,000) and reversed impairment allowance of approximately HK\$13,165,000 (2024: HK\$16,509,000) for not credit-impaired trade receivables. Impairment allowance of approximately HK\$18,468,000 (2024: HK\$45,107,000) was made and approximately HK\$17,145,000 (2024: HK\$21,064,000) was reversed on credit-impaired trade receivables. During the year ended 31 December 2025, trade debtors with gross carrying amount of approximately HK\$27,204,000 (2024: HK\$23,055,000) became credit-impaired and therefore, approximately HK\$9,077,000 (2024: HK\$5,390,000) lifetime ECL was transferred from not credit-impaired to credit-impaired.

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37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Collective assessment – internal credit rating (Continued)

During the year ended 31 December 2025, net impairment allowance of approximately HK\$3,241,000 was recognised (2024: HK\$77,000 was reversed) on not credit-impaired contract assets and approximately HK\$3,301,000 was reversed (2024: HK\$56,761,000 was recognised) on credit-impaired contract assets with gross carrying amounts of approximately HK\$8,667,000 (2024: HK\$81,043,000).

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2024	16,544	48,960	65,504
Impairment losses recognised	19,117	45,107	64,224
Impairment losses reversed	(16,509)	(21,064)	(37,573)
Transfer	(5,390)	5,390	–
Write-offs	–	(879)	(879)
Exchange realignment	(151)	(845)	(996)
As at 31 December 2024	13,611	76,669	90,280
Impairment losses recognised	31,140	18,468	49,608
Impairment losses reversed	(13,165)	(17,145)	(30,310)
Transfer	(9,077)	9,077	–
Write-offs	–	(1,894)	(1,894)
Exchange realignment	9	1,444	1,453
As at 31 December 2025	22,518	86,619	109,137

None of the trade receivables that have been written off is subject to enforcement activities.

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37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Collective assessment – internal credit rating (Continued)

The following table shows the movement in lifetime ECL that has been recognised for contract assets under the simplified approach.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2024	21,646	–	21,646
Impairment losses (reversed) recognised, net	(77)	56,761	56,684
Transfer	(2,115)	2,115	–
Exchange realignment	(21)	–	(21)
As at 31 December 2024	19,433	58,876	78,309
Impairment losses recognised (reversed), net	3,241	(3,301)	(60)
Transfer	2,543	(2,543)	–
Exchange realignment	23	–	23
As at 31 December 2025	25,240	53,032	78,272

(iii) Liquidity risk

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group relies on available cash generated from operations and banking facilities to finance its operation. As at 31 December 2025, the Group had available unutilised aggregate banking facilities in respect of bank overdrafts, bank guarantees and trade financing of approximately HK\$1,492,209,000 (2024: HK\$1,192,419,000).

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loan with a repayment on demand clause is included in the earliest time band regardless of the probability of the bank choosing to exercise their rights. The tables include both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash outflows on derivative financial instruments that require net settlement. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management of the Group considers that the contractual maturities are essential for understanding of the timing of cash flows of derivatives.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

Liquidity tables

	Weighted average interest rate %	Repayable on demand or less than 30 days HK\$'000	31 – 60 days HK\$'000	61 – 90 days HK\$'000	91 days – 1 year HK\$'000	1 – 5 years HK\$'000	More than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
As at 31 December 2025									
Non-derivative financial liabilities									
Trade and retention payables	-	703,834	8,304	-	-	-	-	712,138	712,138
Other payables	-	7,427	-	-	-	-	-	7,427	7,427
Amounts due to partners of joint operations	-	21,198	-	-	-	-	-	21,198	21,198
Bank borrowings	1.060 to 6.266	1,819	1,817	1,756	16,108	81,595	187,862	290,957	234,000
		734,278	10,121	1,756	16,108	81,595	187,862	1,031,720	974,763
Lease liabilities	3.01 to 5.875	2,358	2,305	2,263	18,405	26,826	-	52,157	48,846
As at 31 December 2024									
Non-derivative financial liabilities									
Trade and retention payables	-	629,522	7,663	-	-	-	-	637,185	637,185
Other payables	-	11,572	-	-	-	-	-	11,572	11,572
Amounts due to partners of joint operations	-	5,649	-	-	-	-	-	5,649	5,649
Bank borrowings	2.224 to 6.251	168,333	8,223	8,276	77,691	186,506	209,047	658,076	574,190
		815,076	15,886	8,276	77,691	186,506	209,047	1,312,482	1,228,596
Lease liabilities	3.01 to 5.875	1,483	1,292	1,382	10,521	22,378	-	37,056	34,027
Derivatives – net settlement									
Foreign – currency forward contracts – outflows net	-	126	-	90	2,214	-	-	2,430	2,430

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

Bank loan with a repayment on demand clause is included in the “repayable on demand or less than 30 days” time band in the above maturity analysis. As at 31 December 2024, the aggregate carrying amount of the bank loan amounted to HK\$160,000,000 (2025: Nil). Taking into account the Group’s financial position, the management does not believe that it is probable that the bank will exercise their discretionary rights to demand immediate repayment. The management believes that such bank loan will be repaid within 1 year after the end of the reporting period in accordance with the scheduled repayment date set out in the loan agreement, details of which are set out in the table below:

Maturity Analysis – Bank loan with a repayment on demand clause based on scheduled repayment

	Less than 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
31 December 2024	167,748	167,748	160,000

c. Fair value measurements of financial instruments

Fair value of the Group’s financial assets and financial liabilities that are measured at fair value on recurring basis

Certain of the Group’s financial assets and financial liabilities are measured at fair value at the end of the reporting period. Information about how the fair value of these financial assets and financial liabilities are determined including valuation technique and key input as well as the level of fair value hierarchy of which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements are observable is listed below.

Financial assets/(liabilities)	Fair value		Fair value hierarchy	Valuation technique and key input
	2025 HK\$'000	2024 HK\$'000		
Derivative financial assets (liabilities) (Note 30)	183	(2,430)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between Level 1 or 2 during the current and prior years.

Notes to the Consolidated Financial Statements

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37. FINANCIAL INSTRUMENTS (CONTINUED)

c. Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values based on discounted cash flows analysis.

38. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

a. Capital commitments

At the end of the reporting period, the Group had the following commitments contracted but not provided for in the consolidated financial statements:

	2025 HK\$'000	2024 HK\$'000
Enterprise resources planning system	10,503	16,065
Expanding existing manufacturing facilities	1,284	1,926
Renovation work	92	955
	11,879	18,946

b. Contingent liabilities

The Group is involved in lawsuits during its normal course of operations. As at 31 December 2025, there were few legal proceedings related to these lawsuits outstanding against the Group. The Group will make adequate provision for any probable losses based on the current facts and circumstances.

39. PERFORMANCE BONDS

At the end of the reporting period, the Group had outstanding performance bonds of approximately HK\$562,850,000 (2024: HK\$716,557,000) given by banks in favor of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contracting works.

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40. PLEDGE OF ASSETS

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

	2025 HK\$'000	2024 HK\$'000
Properties	731,724	774,976
Investment properties (Note i)	15,200	62,540
Asset classified as held for sale (Note i)	15,800	–
Bank deposits	17,106	25,915
Others (Note ii)	138,004	104,677
	917,834	968,108

Notes:

- (i) The decrease in "Investment properties" under pledge of assets mainly represents the loss from change in fair value and the reclassification of an investment property to asset classified as held for sale during the year ended 31 December 2025 (Note 15).
- (ii) Included in others, there was the assignment of certain trade receivables of a wholly owned subsidiary of the Company of approximately HK\$66,900,000 (2024: HK\$2,909,000) and fixed and floating charges over all assets of several wholly owned subsidiaries of the Company amounting to approximately HK\$71,104,000 (2024: HK\$101,768,000), out of which approximately HK\$67,146,000 (2024: HK\$78,566,000) represents the leasehold improvements, plant and equipment in ATAL Tower upon the completion of renovation in 2024 (Note 31).

41. RELATED PARTY TRANSACTIONS

- (a) Details of the balances with the related parties are disclosed in the consolidated statement of financial position in Notes 19 and 25. The Group entered into the following transactions with related parties during the current and prior years:

Name of related company	Relationship	Nature of transactions	2025 HK\$'000	2024 HK\$'000
OBJV	Associate	Sales	3,087	4,986
Perfect Motive Limited ("Perfect Motive")	Related party (Notes i and ii)	Repayment of lease liabilities	–	13,260
Perfect Motive	Related party (Note i)	Direct expense recharge	–	460
TEI	Associate	Sales	2,024	188

Notes:

- i) Perfect Motive was a subsidiary of Arling Investment Limited, the Company's immediate holding company and ceased to be a subsidiary of Arling Investment Limited with effect from 14 January 2025.
- ii) As at 31 December 2025 and 2024, no lease liabilities related to Perfect Motive.

(b) Compensation of key management personnel

The remuneration of directors of the Company, being the key management is set out in Note 12.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO ENFORCEABLE MASTER NETTING ARRANGEMENTS

The Group has entered into the International Swaps and Derivatives Association Master Netting Agreements (“ISDA Agreements”) with certain banks. The following recognised financial assets and financial liabilities are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts:

As at 31 December 2024

	Gross amounts presented on consolidated statement of financial position HKD'000	Related amount not set off in consolidated statement of financial position Financial instrument HKD'000	Net amount HKD'000
Recognised financial assets:			
– Bank balances	156,279	(2,430)	153,849
Recognised financial liabilities:			
– Derivative financial instruments	(2,430)	2,430	–

As at 31 December 2025, there were no financial assets nor financial liabilities subject to enforceable master netting arrangement.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amounts due to partners of joint operations	Bank borrowings	Lease liabilities	Interest payable	Dividend payable	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 25)	(Note 31)	(Note 32)			
At 1 January 2024	9,165	320,046	46,240	414	–	375,865
Financing cash flow	(3,516)	236,495	(40,496)	(2,130)	(46,856)	143,497
Finance costs	–	18,047	2,006	2,578	–	22,631
Cash dividend declared (Note 13)	–	–	–	–	46,856	46,856
New leases entered/lease modification	–	–	29,598	–	–	29,598
Early termination of a lease	–	–	(1,528)	–	–	(1,528)
Lease remeasurement	–	–	(1,584)	–	–	(1,584)
Exchange realignment	–	(398)	(209)	–	–	(607)
At 31 December 2024	5,649	574,190	34,027	862	–	614,728
Financing cash flow	15,549	(355,007)	(24,330)	(925)	(64,347)	(429,060)
Finance costs	–	14,589	2,424	288	–	17,301
Cash dividend declared (Note 13)	–	–	–	–	64,347	64,347
New leases entered/lease modification	–	–	37,559	–	–	37,559
Early termination of a lease	–	–	(1,503)	–	–	(1,503)
Exchange realignment	–	228	669	–	–	897
At 31 December 2025	21,198	234,000	48,846	225	–	304,269

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Group's principal subsidiaries at the end of the reporting period are set out below:

Name of subsidiary	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of share capital/ registered capital held by the Company		Proportion of voting power held by the Company		Principal activity
			2025	2024	2025	2024	
安樂工程貿易有限公司 Analogue Technical Agencies Limited*	Hong Kong	HK\$1,014,973	100%	100%	100%	100%	Supplying electrical and mechanical materials and equipment and providing associated installation services
安諾電梯有限公司 Anlev (HK) Limited	Hong Kong	HK\$4,000,000	100%	100%	100%	100%	Designing and trading of lifts, escalators and moving walkways
安樂工程有限公司 ATAL Engineering Limited*	Hong Kong	HK\$40,000,000	100%	100%	100%	100%	Electrical, mechanical and environmental engineering contractor on construction and infrastructure projects
安樂機電設備工程有限公司 ATAL Building Services Engineering Limited*	Hong Kong	HK\$40,000,000	100%	100%	100%	100%	Electrical, mechanical and building services contractor in design, installation and maintenance of building and infrastructure projects
安樂數據中心基建有限公司 ATAL Data Centre Infrastructure Limited*	Hong Kong	HK\$20,000,000	100%	100%	100%	100%	Providing data centre and critical facilities infrastructure supports
安樂工程(澳門)有限公司 ATAL Engineering (Macao) Limited (Note i)	Macau	MOP25,000	100%	100%	100%	100%	Electrical, mechanical and environmental engineering contractor on construction and infrastructure projects
安樂設備安裝工程(上海)有限公司(Note ii)	The PRC	RMB52,000,000	100%	100%	100%	100%	Electrical, mechanical and environmental engineering contractor on construction and infrastructure projects
安樂科技工程有限公司 ATAL Technologies Limited*	Hong Kong	HK\$19,000,000	100%	100%	100%	100%	Provision of solution to the integration of information technology, communications and security systems, and in the development of related technologies and applications
安力電梯有限公司 Anlev Elex Elevator Limited	Hong Kong	HK\$55,000,000	100%	100%	100%	100%	Providing installation and maintenance services for lifts, escalators and moving walkways
安樂建築工程服務(上海)有限公司* (Note ii)	The PRC	RMB35,569,907	100%	100%	100%	100%	Supplying electrical, mechanical and environmental materials and equipment and providing associated installation and maintenance services

Notes to the Consolidated Financial Statements

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of subsidiary	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of share capital/ registered capital held by the Company		Proportion of voting power held by the Company		Principal activity
			2025	2024	2025	2024	
南京安諾電梯有限公司(Note ii)	The PRC	RMB161,300,000	100%	100%	100%	100%	Manufacturing and sale of lifts, escalators and moving walkways
安諾工業有限公司 Anlev Industrial Limited*	Hong Kong	HK\$119,340,001	100%	100%	100%	100%	Investment holding
安樂屋宇服務(澳門)有限公司 ATAL Building Services (Macao) Limited (Note i)	Macau	MOP25,000	100%	100%	100%	100%	Designing, installing and maintenance services on building systems and fire systems engineering
安諾屋宇服務(澳門)有限公司 Analogue Building Services (Macao) Limited (Note i)	Macau	MOP25,000	100%	100%	100%	100%	Designing, installing and maintenance services on building systems and fire systems engineering
Pedarco International Limited	Hong Kong	HK\$203,000	100%	100%	100%	100%	Development, production and marketing of automated movement system
安樂管理服務有限公司 ATAL Management Services Limited*	Hong Kong	HK\$10,000	100%	100%	100%	100%	Provision of property management services
LATA Limited*	Hong Kong	HK\$10,000	100%	100%	100%	100%	Investment holding
Anlev (US) LLC	Delaware, USA	–	100%	100%	100%	100%	Investment holding
Anlev (UK) Limited	England and Wales	GBP100,000	100%	100%	100%	100%	Designing, manufacturing, selling, installing, renovating and providing services of lifts, escalators and parts
Anlev (UK) Holdings Limited	England and Wales	GBP100,000	100%	100%	100%	100%	Investment holding
Future Chance Developments Limited*	British Virgin Islands	USD100	100%	100%	100%	100%	Investment holding
Black Tie Holdings Limited	British Virgin Islands	USD100	100%	100%	100%	100%	Investment holding
榮俊投資有限公司 Fame Smart Investment Limited	Hong Kong	HK\$1	100%	100%	100%	100%	Property investment
Meta Infrastructure Limited*	British Virgin Islands	USD10,000	100%	100%	100%	100%	Investment holding
X-i Data Limited	Hong Kong	HK\$1	100%	100%	100%	100%	Inactive

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of subsidiary	Place of incorporation/ registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of share capital/ registered capital held by the Company		Proportion of voting power held by the Company		Principal activity
			2025	2024	2025	2024	
JCW Lifts Ltd	England and Wales	GBP100	51%	51%	51%	51%	Providing installation and maintenance services for lifts
Precision Lift Services Limited	England and Wales	GBP150,000	100%	100%	100%	100%	Providing installation and maintenance services for lifts, escalators and moving walkways
ATAL Environmental Engineering (Europe) GmbH (Note iii)	Frankfurt am Main, Germany	EUR25,000	100%	N/A	100%	N/A	Electrical, mechanical and environmental engineering contractor on construction and infrastructure projects
ATAL Engineering (Asia) Holdings Limited* (Note iv)	Hong Kong	HK\$10,000	100%	N/A	100%	N/A	Investment holding
ATAL Engineering Pte. Limited (Note v)	Singapore	SGD10,000	100%	N/A	100%	N/A	Building Construction
ATAL Engineering Investment Pte. Limited (Note v)	Singapore	SGD10,000	100%	N/A	100%	N/A	Investment holding
AI (M&E) Engineering Pte. Limited (Note vi)	Singapore	SGD1	100%	N/A	100%	N/A	Building Construction
ATAL Engineering Sdn. Bhd. (Note vii)	Malaysia	RM100	100%	N/A	100%	N/A	Building Construction
安樂龐東生態環境(甘肅)有限公司(Note viii)	The PRC	RMB10,000,000 registered capital	60%	N/A	60%	N/A	Electrical, mechanical and environmental engineering contractor on construction and infrastructure projects

Notes:

* Directly held by the Company.

- (i) Each of ATAL Engineering (Macao) Limited, Analogue Building Services (Macao) Limited and ATAL Building Services (Macao) Limited is owned as to 96% by the Company and 4% by the Company's wholly owned subsidiary, LATA Limited.
- (ii) These subsidiaries are wholly foreign-owned enterprises established in the PRC.
- (iii) The subsidiary was incorporated on 26 February 2025 and became a German limited liability company when it was registered in the Commercial Register at the local court of Frankfurt am Main on 5 June 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Notes: (Continued)

- (iv) The subsidiary was incorporated on 25 July 2025.
- (v) The subsidiaries were incorporated on 30 July 2025.
- (vi) The subsidiary was incorporated on 6 October 2025.
- (vii) The subsidiary was incorporated on 12 September 2025.
- (viii) The subsidiary was incorporated on 31 December 2025.

The directors of the Company are of the opinion that a complete list of the particulars of all the subsidiaries will be of excessive length and therefore the above table lists only the particulars of the subsidiaries which materially affect the results or financial position of the Group.

None of the subsidiary had issued any debt securities during the year or at the end of the year and prior year.

45. SHARE-BASED PAYMENTS

Share Award Schemes

A. Share Award Schemes of the Company

The Company adopted two share award schemes (the "Share Award Schemes"), with the similar terms except that the eligible participants of one of the Share Award Schemes ("Eligible Participants") shall not be connected persons of the Company. The Share Award Schemes are administered by independent trustees appointed by the Group. The award(s) and vesting period(s) of the awarded shares are determined by the board of directors.

During the year ended 31 December 2025, no awarded shares were granted, vested or cancelled to awardees under the Share Award Schemes and no awarded shares were lapsed/forfeited. As at 31 December 2025, there were no awarded shares which are yet to be vested.

During the year ended 31 December 2024, no awarded shares were granted or cancelled under the Share Award Schemes. During the year ended 31 December 2024, 12,560,000 awarded shares were vested to awardees upon fulfilment of the vesting criteria and conditions and 600,000 awarded shares were lapsed/forfeited. As at 31 December 2024, there were no awarded shares which are yet to be vested.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SHARE-BASED PAYMENTS (CONTINUED)

Share Award Schemes (Continued)

A. Share Award Schemes of the Company (Continued)

The tables below set out details of share awards granted to various participants/categories of participants under the Share Award Schemes for the year ended 31 December 2024:

2024

Grantees/Category	Batch	Grant date	Vesting period	Unvested awards as at 1 January 2024	Vested during the year	Lapsed/ forfeited during the year	Cancelled during the year	Unvested awards as at 31 December 2024
Directors (Note 1)								
– Mr. Chan Hoi Ming	C (Note 2)	21/01/2022	21/01/2022-23/12/2024	5,600,000	(5,600,000)	–	–	–
– Mr. Cheng Wai Lung	C (Note 2)	21/01/2022	21/01/2022-23/12/2024	320,000	(320,000)	–	–	–
			Subtotal (Note 1)	5,920,000	(5,920,000)	–	–	–
Five Highest Paid Individuals*								
– In aggregate	C (Note 2)	21/01/2022	21/01/2022-23/12/2024	240,000	(240,000)	–	–	–
Other Employees								
– In aggregate	C (Note 2)	21/01/2022	21/01/2022-23/12/2024	7,000,000	(6,400,000)	(600,000)	–	–
			Total	13,160,000	(12,560,000)	(600,000)	–	–

* Excluding the details of the share awards granted to the above two directors who are two of the five individuals with the highest emoluments during the year ended 31 December 2024, the relevant details of which are reflected in Note 12.

Notes:

- The two directors named in the tables are amongst the five highest paid individuals during the years ended 31 December 2024.
- Subject to fulfilment of all the vesting criteria and conditions, the awarded shares granted on 21 January 2022 would be vested in three tranches as follows: (i) 30% of the awarded shares were vested on 30 June 2022 (Batch A); (ii) 30% of the awarded shares would be vested on 30 June 2023 (Batch B) but were not vested and cancelled during the year ended 31 December 2023 as not all of the vesting conditions were fulfilled; and (iii) the remaining 40% of the awarded shares would be vested on 30 June 2024 (Batch C) but the vesting date of Batch C was postponed to 23 December 2024 pursuant to the supplemental award letter dated 17 June 2024 and these awarded shares were vested on 23 December 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SHARE-BASED PAYMENTS (CONTINUED)

Share Award Schemes (Continued)

A. Share Award Schemes of the Company (Continued)

Notes: (Continued)

3. The fair values of the share awards granted during the year ended 31 December 2022 were determined using the Black-Scholes valuation model. The closing price of the shares immediately before the date on which the share awards were granted, other key inputs into the model and the estimated fair value of the share awards at the date of grant are set out below:

	Batch		
	A	B	C
Closing price before the date of grant (HK\$)	1.81	1.81	1.81
Expected volatility	21.94%	30.15%	42.49%
Expected dividend yield	6.40%	6.40%	6.40%
Expected life	5 months	17 months	29 months
Risk-free rate	0.23%	0.77%	0.77%
Estimated fair value at the date of grant (HK\$)	1.75	1.64	1.53

4. There are no performance targets attached to any awarded shares.
5. The weighted average closing price of the shares immediately before the dates on which the share awards were vested during the year ended 31 December 2024 was approximately HK\$0.9.

The Group recognised total expense of approximately HK\$3,109,000 (2025: Nil) for the year ended 31 December 2024 in relation to awarded shares granted in 2022 by the Company.

B. Major terms of the Share Award Schemes

The principal terms of the Share Award Schemes, which are subject always to the requirements of the Listing Rules, are summarised below:

1. Purpose of the Share Award Schemes

The purpose of the Share Award Schemes is to (i) recognise and reward the contribution of certain Eligible Participants (as mentioned below) to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) attract suitable personnel for further development of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SHARE-BASED PAYMENTS (CONTINUED)

Share Award Schemes (Continued)

B. Major terms of the Share Award Schemes (Continued)

2. Eligible Participants

According to the relevant scheme rules, the Eligible Participants of one of the Share Award Schemes include any person belonging to the following classes of participants: (a) an employee of the Company (full time employee, including any executive director but excluding any non-executive director) of the Company, any subsidiary of the Company and any entity in which any member of the Group holds any equity interest ("Invested Entity") (the "Employee"); (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary of the Company or any Invested Entity; (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group. According to the relevant scheme rules, the Eligible Participants of the other Share Award Scheme include the above Eligible Participants except the connected persons of the Company. Nevertheless, the grant of share awards to any Eligible Participant shall be subject always to the provisions of Chapter 17 of the Listing Rules as amended from time to time.

3. Selection Criteria

A Selected Participant is an Eligible Participant for whom Shares have been provisionally set aside pursuant to an award (the "Award") granted by the board of directors of the Company. The eligibility of any of the Eligible Participants to an Award granted by the board of directors of the Company to a Selected Participant shall be determined by the board of directors of the Company from time to time on the basis of the opinion of the board of directors of the Company as to his contribution and/or future contribution to the development and growth of the Group, subject always to the provisions of Chapter 17 of the Listing Rules as amended from time to time.

4. Satisfaction of Awards

To satisfy the Award, the Company shall transfer to the trustees for the trusts in respect of the Share Award Schemes (the "Trustees") the necessary funds from the Company's internal resources and instruct the Trustees to acquire the shares of the Company (the "Shares") through either on-market and/or off-market transactions at the prevailing market price. The Company shall not instruct the Trustees to acquire any Shares where such action (as applicable) is prohibited under the Listing Rules, the Securities and Futures Ordinance ("SFO") or other applicable laws from time to time.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SHARE-BASED PAYMENTS (CONTINUED)

Share Award Schemes (Continued)

B. Major terms of the Share Award Schemes (Continued)

5. Scheme Limit and Maximum Number of Shares to be Granted

The total number of awarded shares under the Awards (the "Awarded Shares") made pursuant to the Share Award Schemes shall not exceed 10% of the total number of issued shares of the Company as at 27 November 2020 ("SAS Adoption Date") (i.e. 140,000,000 Shares). As at the date of the issuance of these consolidated financial statements, the total number of Awarded Shares available for grant is 107,202,000 shares, representing approximately 7.66% of the Company's total number of issued shares as at the date of these financial statements. Subject to the provisions of Chapter 17 of the Listing Rules as amended from time to time, the maximum number of Shares which may be subject to an Award or Awards to a Selected Participant shall not in aggregate exceed 1% of the issued share capital of the Company as at the SAS Adoption Date (i.e. 14,000,000 Shares).

6. Voting Rights

Neither the Selected Participant nor the Trustees may exercise any of the voting rights in respect of any Awarded Shares that have not yet vested.

7. Duration of the Share Award Schemes

The Share Award Schemes shall be valid and effective for a term of 10 years commencing from the SAS Adoption Date i.e. until 26 November 2030, and after the expiry of such 10-year term no further Awards may be made but the rules of the Share Award Schemes shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustees.

8. Timing of Awards and/or Instructions to the Trustees

No Award shall be made to Selected Participants and no instructions shall be given to the Trustees to acquire Shares under the Share Award Schemes:

- (a) when inside information has come to the Company's knowledge until such inside information has been published in accordance with the SFO; and
- (b) during the periods or times in which the directors of the Company are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company. In particular, during the period preceding the publication of financial results in which the directors of the Company are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SHARE-BASED PAYMENTS (CONTINUED)

Share Award Schemes (Continued)

B. Major terms of the Share Award Schemes (Continued)

9. Vesting Conditions and/or Performance Targets

The board of directors of the Company is entitled to impose any condition(s) and/or performance target(s), if any, that must be attained by the relevant Selected Participant before any of the Awarded Shares may be transferred to and vested in such Selected Participant under an Award (including but not limited to a period of continued service within the Group after the Award), and shall inform the Trustees and such Selected Participant the relevant conditions and/or performance targets of the Award and the Awarded Shares.

10. Vesting Period

There is no minimum period for which an Award must be held before it can be vested. The board of directors of the Company is entitled to prescribe the earliest date ("Earliest Vesting Date") and other subsequent date(s), if any, on which the Trustee may vest the legal and beneficial ownership of the Awarded Shares. The Trustees shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of:

- (i) the Earliest Vesting Date as specified in the award notice to which such Award relates; and
- (ii) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or paid by such Selected Participant as specified in the related award notice have been attained or paid and notified to the Trustee by the board of directors of the Company.

11. Subscription Price for the Awards or Awarded Shares

There is no amount payable on acceptance of the Awards or the Awarded Shares.

12. Lapse and Forfeiture of Award

In the event that a Selected Participant does not satisfy the vesting condition(s) and/or performance target(s) set out in the award letter issued to such Selected Participant, the Award does not vest and the Award shall lapse and the Award Shares shall be deemed to be returned shares (the "Returned Shares").

In respect of a Selected Participant who dies or retires at his normal retirement date or by agreement with a member of the Group at any time prior to or on the vesting date, all the Awarded Shares of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

In the event that any Selected Participant who is an Employee ceases to be an Employee by virtue of a corporate reorganisation of the Group or the Invested Entity, then any Award made to such Selected Participant shall forthwith lapse and be cancelled.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SHARE-BASED PAYMENTS (CONTINUED)

Share Award Schemes (Continued)

B. Major terms of the Share Award Schemes (Continued)

12. Lapse and Forfeiture of Award (Continued)

In the event (i) a Selected Participant is found to be excluded in accordance with the Share Award Scheme (the "Excluded Participant") or (ii) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustees for the relevant Awarded Shares within the stipulated period, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Share Award Scheme.

Upon the occurrence of any of the following events, the Award shall automatically lapse forthwith and all the Awarded Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Share Award Scheme:

- (i) when a Selected Participant ceases to be an Employee other than because of his death or retirement at his normal retirement date or by agreement with the relevant member of the Group;
- (ii) when the Subsidiary or Invested Entity by which a Selected Participant is employed ceases to be a subsidiary or Invested Entity of the Group;
- (iii) when the board of directors of the Company shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that:
 - (a) the Selected Participant or his associate has committed any breach of any contract entered into between the Selected Participant or his associate on one part and any member of the Group or any Invested Entity on the other part;
 - (b) the Selected Participant has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or
 - (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group or the Invested Entity by reason of the cessation of its relationship with the Group or its Invested Entity or by any other reasons whatsoever; or
- (iv) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company.

The Trustees shall hold the Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participants) as the board of directors of the Company shall in its absolute discretion at any time determine and select in writing as the Selected Participant(s).

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45. SHARE-BASED PAYMENTS (CONTINUED)

Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted by resolutions in writing passed by the then shareholders of the Company on 14 September 2018 to take effect on the date of listing of the Shares on the Stock Exchange on 12 July 2019. The Share Option Scheme was adopted to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group, and remains in force until 11 July 2029. The principal terms of the Share Option Scheme, which are subject always to the requirements of the Listing Rules, are summarised below:

(i) Who may join

According to the rules of the Share Option Scheme, the directors of the Company may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of the subsidiaries of the Company or any Invested Entity;
- b) any non-executive directors (including independent non-executive directors) of the Company, any of the subsidiaries of the Company or any Invested Entity;
- c) any supplier of goods or services to any member of the Group or any Invested Entity;
- d) any customer of any member of the Group or any Invested Entity;
- e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity;
- h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group;

and, for the purposes of the Share Option Scheme, the offer for the grant of option may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants. Nevertheless, the grant of share options to any participant shall be subject always to the provisions of Chapter 17 of the Listing Rules as amended from time to time.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SHARE-BASED PAYMENTS (CONTINUED)

Share Option Scheme (Continued)

(ii) Maximum number of Shares available for issue

The total number of Shares which may be issued upon exercise of all the share options to be granted under the Share Option Scheme is 140,000,000 Shares, representing 10% of the Company's total number of issued Shares as at the date of these financial statements.

(iii) Maximum entitlement of each participant

According to the rules of the Share Option Scheme, the total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (excluding any options lapsed in accordance with the terms of the scheme) to each grantee in any 12-month period shall not exceed 1% of the number of Shares in issue for the time being ("Individual Limit"), subject always to the provisions of Chapter 17 of the Listing Rules as amended from time to time. Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the shareholders in general meeting of the Company with such grantee and his close associates (as defined in the Listing Rules) (or his associates (as defined in the Listing Rules) if the grantee is a connected person (as defined in the Listing Rules) of the Company) abstaining from voting. Further, according to the rules of the Share Option Scheme, options granted to a substantial shareholder and/or an independent non-executive director or any of their respective associates (as defined in the Listing Rules) in any 12-month period in excess of 0.1% of the total number of Shares in issue and having an aggregate value exceeding HK\$5 million must be approved by the shareholders in general meeting (with such grantee, his associates (as defined in the Listing Rules) and all core connected persons (as defined in the Listing Rules) of the Company abstaining from voting in favour at such general meeting) in advance, subject further to the provisions of Chapter 17 of the Listing Rules as amended from time to time.

(iv) The period within which the securities must be taken up under an option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors of the Company to each grantee, which period may commence from the date of the offer for the grant of option is made, but shall end in any event not later than 10 years from the date of the offer for the grant of the option, subject to the provisions for early termination thereof.

(v) Minimum period for which an option must be held before it can be exercised

There is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised unless otherwise determined by the directors of the Company and stated in the offer for the grant of options to the grantee.

(vi) Time of acceptance and exercise of option

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SHARE-BASED PAYMENTS (CONTINUED)

Share Option Scheme (Continued)

(vii) Subscription price for the Shares and consideration for the option

The subscription price for the Shares under the Share Option Scheme shall be a price determined by the directors of the Company, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

No share option has ever been granted since the adoption of the Share Option Scheme up to the date of the issuance of these consolidated financial statements.

46. RETIREMENT BENEFITS PLANS

Defined contribution plans

The Group operates a MPF Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by employees, subject to a cap of monthly relevant income of HK\$30,000.

The employees employed in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiary is required to contribute a certain percentage of their basic payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the schemes.

The employees employed in Macau are required to join the Social Security Fund (the "FSS"). Contributions to FSS are made in accordance with the statutory limits prescribed by the Social Security System of Macau.

There is a defined contribution plan for its employees in UK. A defined contribution plan is a pension plan under which the subsidiary pays fixed contributions into a separate entity. Once the contributions have been paid the subsidiary has no further payment obligations.

No forfeited contribution is available to reduce the contribution payable in future years.

During the year ended 31 December 2025, the total expenses recognised in the profit or loss for the above schemes amounted to approximately HK\$70,980,000 (2024: HK\$65,826,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

46. RETIREMENT BENEFITS PLANS (CONTINUED)

Defined benefit plan

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) \times 2/3 \times Years of service

Last monthly wages are capped at HK\$22,500 while the amount of LSP shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). Separately, the Government of the Hong Kong Special Administrative Region (the "HKSAR Government") is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. On the other hand, the accrued benefits derived from the Group's voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has impact on the Group's LSP liability with respect to employees that participate in MPF Scheme and the Group has accounted for the offsetting mechanism.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

46. RETIREMENT BENEFITS PLANS (CONTINUED)

LSP obligation

Movements in the present value of unfunded LSP obligation in the current year were as follows:

	2025 HK\$'000	2024 HK\$'000
Opening unfunded obligation	9,049	6,776
Current service cost	1,579	1,382
Interest expenses	257	202
	10,885	8,360
Remeasurements recognised in other comprehensive income:		
– Actuarial loss arising from changes in financial assumptions	840	689
Closing unfunded obligation	11,725	9,049

The average duration of the benefit obligation at 31 December 2025 is 26 years.

The current service cost and the net interest expense for the year are included in the employee benefits expenses in profit or loss. Approximately HK\$1,200,000 (2024: HK\$1,064,000) has been included in cost of sales and approximately HK\$636,000 (2024: HK\$520,000) has been included in administrative expenses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

46. RETIREMENT BENEFITS PLANS (CONTINUED)

LSP obligation (Continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at	
	31 December 2025	31 December 2024
Discount rate(s)	3.2%	3.44%
Expected rate(s) of salary increase	3.6%	4.8%
Expected investment return	3.09% – 6.17%	1.86% – 3.93%
Average past service years	6	5
Average years to retirement	26	26

Significant actuarial assumptions for the determination of the LSP obligation are discount rate, expected salary increase and expected investment return on offsetable MPF accrued. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 20% higher (lower), the LSP obligation would decrease by approximately HK\$706,000 (increase by approximately HK\$778,000) (2024: decrease by approximately HK\$600,000 (increase by approximately HK\$665,000)).
- If the expected salary increases (decreases) by 20%, the LSP obligation would increase by approximately HK\$24,000 (decrease by approximately HK\$28,000) (2024: increase by approximately HK\$28,000 (decrease by approximately HK\$25,000)).
- If the expected investment return on offsetable MPF contribution is 20% higher (lower), the LSP obligation would decrease by approximately HK\$9,000 (increase by approximately HK\$11,000) (2024: decrease by approximately HK\$10,000 (increase by approximately HK\$12,000)).

The sensitivity analysis presented above may not be representative of the actual change in the LSP obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	NOTE	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Interests in subsidiaries		621,257	621,247
Interest in an associate		289,448	291,470
Amount due from a subsidiary		320,010	320,010
		1,230,715	1,232,727
Current assets			
Other receivables, deposits and prepayments		2,559	3,086
Amounts due from subsidiaries		904,580	874,941
Bank balances and cash		141,408	186,346
		1,048,547	1,064,373
Current liabilities			
Other payables and accrued expenses		3,151	3,637
Amounts due to subsidiaries		1,482,297	1,446,497
Derivative financial instruments		–	409
Financial guarantee liabilities		1,085	858
Bank borrowings – due within one year		14,625	76,809
		1,501,158	1,528,210
Net current liabilities		(452,611)	(463,837)
Total assets less current liabilities		778,104	768,890
Capital and reserves			
Share capital	33	14,000	14,000
Reserves		539,208	421,571
Total equity		553,208	435,571
Non-current liabilities			
Bank borrowings – due after one year		219,375	326,676
Deferred tax liability		5,521	6,643
		224,896	333,319
		778,104	768,890

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in the Company's reserves is as follows:

	Share premium HK\$'000	Treasury share reserve HK\$'000	Share award reserve HK\$'000	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2024	358,704	(20,568)	16,108	5	(17,082)	140,133	477,300
Profit for the year	-	-	-	-	-	82	82
Exchange differences arising from translation of an associate	-	-	-	-	(11,613)	-	(11,613)
Total comprehensive (expense) income for the year	-	-	-	-	(11,613)	82	(11,531)
Dividends recognised as distribution (Note 13)	-	-	-	-	-	(46,856)	(46,856)
Recognition of equity-settled share-based payment expense (Note 45)	-	-	3,109	-	-	-	3,109
Shares vested under share award schemes	-	19,242	(19,217)	-	-	(25)	-
Purchase of shares under share award schemes (Note 33)	-	(451)	-	-	-	-	(451)
At 31 December 2024	358,704	(1,777)	-	5	(28,695)	93,334	421,571
Profit for the year	-	-	-	-	-	167,553	167,553
Exchange differences arising from translation of an associate	-	-	-	-	14,431	-	14,431
Total comprehensive income for the year	-	-	-	-	14,431	167,553	181,984
Dividends recognised as distribution (Note 13)	-	-	-	-	-	(64,347)	(64,347)
At 31 December 2025	358,704	(1,777)	-	5	(14,264)	196,540	539,208

Five-Year Financial Summary

RESULTS

For the year ended 31 December

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Group Revenue	6,087,641	6,450,144	6,132,944	6,474,650	5,350,720
Profit for the year attributable to owners of the Company	167,041	135,265	251,500	114,558	314,299
Earnings per share (HK\$ per share)	0.12	0.10	0.18	0.08	0.22

ASSETS, LIABILITIES AND EQUITY

As at 31 December

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	5,164,618	5,200,032	5,139,350	4,812,214	4,449,158
Total liabilities	2,845,468	3,004,959	3,010,188	2,749,308	2,319,459
Equity attributable to owners of the Company	2,322,099	2,193,686	2,126,376	2,062,906	2,129,699
Net assets per share (HK\$ per share)	1.66	1.58	1.53	1.48	1.52

KEY RATIOS

For the year ended 31 December/As at 31 December

	2025	2024	2023	2022	2021
Return on assets	3.2%	2.6%	5.1%	2.5%	7.6%
Return on equity	7.4%	6.3%	12.0%	5.5%	15.3%
Current ratio (times)	1.4	1.4	1.4	1.5	1.6
Gearing ratio	10.1%	26.2%	15.1%	13.5%	13.7%

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Poon Lok To, Otto (*Founder*)
 Dr. Mak Kin Wah (*Chairman*)
 Mr. Chan Hoi Ming (*Chief Executive Officer*)
 Mr. Cheng Wai Lung
 Mr. Cheng Wai Keung, Peter
 (*Chief Financial Officer*)

Independent non-executive Directors

Mr. Chan Fu Keung
 Mr. Lam Kin Fung, Jeffrey
 Ms. Shing Mo Han, Yvonne

AUDIT COMMITTEE

Ms. Shing Mo Han, Yvonne (*Chairman*)
 Mr. Chan Fu Keung
 Mr. Lam Kin Fung, Jeffrey (*Note*)

REMUNERATION COMMITTEE

Mr. Chan Fu Keung (*Chairman*)
 Mr. Chan Hoi Ming (*Note*)
 Ms. Shing Mo Han, Yvonne

NOMINATION COMMITTEE

Mr. Lam Kin Fung, Jeffrey (*Chairman*)
 Mr. Chan Fu Keung
 Ms. Shing Mo Han, Yvonne

COMPANY SECRETARY

Mr. Pang Chee Hoong

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
 35th Floor, One Pacific Place
 88 Queensway
 Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
 1 Queen's Road Central
 Hong Kong

China Construction Bank (Asia) Corporation Limited

3 Connaught Road Central
 Central
 Hong Kong

Bank of China (Hong Kong) Limited

1 Garden Road
 Central
 Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor
 31 Victoria Street
 Hamilton HM 10
 Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

ATAL Tower
 45-51 Kwok Shui Road
 Kwai Chung
 New Territories
 Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Ocorian Management (Bermuda) Limited
 Victoria Place, 5th Floor
 31 Victoria Street
 Hamilton HM 10
 Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
 17th Floor, Far East Finance Centre,
 16 Harcourt Road
 Hong Kong

STOCK CODE

1977

WEBSITE

www.atal.com

Note: Ms. Or Siu Ching, Rerina has resigned as a non-executive Director of the Company with effect from 1 April 2026, after expiry of term of her appointment. As such, she would cease to be a member of the Audit Committee, Nomination Committee and Remuneration Committee on the same date. Mr. Lam Kin Fung, Jeffrey was appointed as a member of the Audit Committee and Mr. Chan Hoi Ming was appointed as a member of the Remuneration Committee, both with effect from 1 April 2026.



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