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Tak Lee Machinery Holdings Limited
德利機械控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2102)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 JANUARY 2026

FINANCIAL HIGHLIGHTS

- The Group recorded a revenue of approximately HK\$149.4 million for the six months ended 31 January 2026, representing a decrease of approximately 1.4% compared with approximately HK\$151.5 million reported for the six months ended 31 January 2025.
- The Group's profit and total comprehensive income decreased by approximately 4.3% from approximately HK\$14.0 million for the six months ended 31 January 2025 to approximately HK\$13.4 million for the six months ended 31 January 2026.
- Earnings per share for the six months ended 31 January 2026 was approximately HK1.34 cents (six months ended 31 January 2025: approximately HK1.40 cents).
- The Board has resolved to declare an interim dividend of HK1.5 cents per ordinary share of the Company, payable to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 15 April 2026. It is expected that the interim dividend will be paid in cash on or about Wednesday, 29 April 2026.

The board of directors (the “**Directors**” and the “**Board**”, respectively) of Tak Lee Machinery Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 January 2026, together with the comparative figures for the corresponding period in 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 January 2026

		Six months ended 31 January	
		2026	2025
	<i>Note</i>	HK\$’000	HK\$’000
		(unaudited)	(unaudited)
Revenue	3	149,393	151,466
Cost of revenue		<u>(118,194)</u>	<u>(113,955)</u>
Gross profit		31,199	37,511
Other income and other gains and losses	4	1,755	391
Reversal of allowance for trade and lease receivables		1,211	1,440
Administrative and other operating expenses		<u>(18,268)</u>	<u>(22,381)</u>
Profit from operations		15,897	16,961
Finance costs		<u>(53)</u>	<u>(106)</u>
Profit before tax		15,844	16,855
Income tax expense	5	<u>(2,431)</u>	<u>(2,854)</u>
Profit and total comprehensive income for the period attributable to owners of the Company	6	<u>13,413</u>	<u>14,001</u>
Earnings per share			
– Basic and diluted (HK cents per share)	8	<u>1.34</u>	<u>1.40</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 January 2026

	<i>Note</i>	At 31 January 2026 <i>HK\$'000</i> (unaudited)	At 31 July 2025 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment	9	134,127	144,693
Right-of-use assets		16,785	17,876
Investment property		12,694	13,000
		163,606	175,569
Current assets			
Inventories		96,798	98,657
Trade and lease receivables	10	63,741	58,766
Prepayments, deposits and other receivables		16,882	39,357
Bank and cash balances		137,801	118,515
		315,222	315,295
Current liabilities			
Trade payables	11	1,971	1,495
Other payables and accruals		9,016	6,699
Contract liabilities		4,220	9,428
Lease liabilities		1,550	1,510
Current tax liabilities		5,702	6,669
		22,459	25,801
Net current assets		292,763	289,494
Total assets less current liabilities		456,369	465,063
Non-current liabilities			
Lease liabilities		133	918
Deferred tax liabilities		19,870	21,192
Provision		1,011	1,011
		21,014	23,121
NET ASSETS		435,355	441,942
Capital and reserves			
Share capital	12	10,000	10,000
Reserves		425,355	431,942
TOTAL EQUITY		435,355	441,942

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2026

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 August 2025 (audited)	10,000	92,661	2,620	336,661	441,942
Profit and total comprehensive income for the period	–	–	–	13,413	13,413
Dividend paid (<i>note 7</i>)	–	–	–	(20,000)	(20,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2026 (unaudited)	10,000	92,661	2,620	330,074	435,355
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 August 2024 (audited)	10,000	92,661	2,620	338,446	443,727
Profit and total comprehensive income for the period	–	–	–	14,001	14,001
Dividend paid (<i>note 7</i>)	–	–	–	(15,000)	(15,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2025 (unaudited)	10,000	92,661	2,620	337,447	442,728
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements of the Group for the six months ended 31 January 2026 (the “**Interim Condensed Consolidated Financial Statements**”) are prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The preparation of the Interim Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, as well as income and expenses on a year-to-date basis. Actual results may differ from these estimates.

2. PRINCIPAL ACCOUNTING POLICIES

These Interim Condensed Consolidated Financial Statements should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 July 2025, which have been prepared in accordance with the HKFRS Accounting Standards. The accounting policies and methods of computation used in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those used in the Group’s annual consolidated financial statements for the year ended 31 July 2025.

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue for the period is as follows:

	Six months ended	
	31 January	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales of heavy equipment and spare parts	92,274	88,777
Provision of machine operators	10,041	9,468
Provision of repair, logistics and other ancillary services	6,375	5,125
	<hr/>	<hr/>
Revenue from contracts with customers	108,690	103,370
	<hr/>	<hr/>
Lease of heavy equipment	40,703	48,096
	<hr/>	<hr/>
Total revenue	149,393	151,466
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Segment information

Information reported to the Chief Executive Officer of the Group ("CEO"), being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the types of goods delivered, or service provided. The CEO has chosen to organise the Group's results according to the category of the business segment and differences in nature of the goods and services that each segment delivers. The Group has three operating segments:

Sales of heavy equipment and spare parts	– Trading of heavy equipment and spare parts in Hong Kong
Lease of heavy equipment	– Leasing of heavy equipment and provision of machine operators in Hong Kong
Repair, logistics and other ancillary services	– Providing repair, logistics and other ancillary services in Hong Kong

The accounting policies of the operating segments are consistent with the accounting policies used in the Group's annual consolidated financial statements for the year ended 31 July 2025. Segment results do not include unallocated administrative expenses, other income, other gains and losses and finance costs that are not directly attributable to segments and income tax expense.

3. REVENUE AND SEGMENT INFORMATION (continued)

(i) Information about reportable segment profit or loss:

	Sales of heavy equipment and spare parts <i>HK\$'000</i> (unaudited)	Lease of heavy equipment <i>HK\$'000</i> (unaudited)	Provision of repair, logistics and other ancillary services <i>HK\$'000</i> (unaudited)	Unallocated <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
For the six months ended					
31 January 2026					
Revenue from external customers	<u>92,274</u>	<u>50,744</u>	<u>6,375</u>	<u>-</u>	<u>149,393</u>
Disaggregated by timing of revenue recognition					
A point in time	<u>92,274</u>	<u>-</u>	<u>6,026</u>	<u>-</u>	<u>98,300</u>
Over time	<u>-</u>	<u>10,041</u>	<u>349</u>	<u>-</u>	<u>10,390</u>
Total revenue from contracts with customers	<u>92,274</u>	<u>10,041</u>	<u>6,375</u>	<u>-</u>	<u>108,690</u>
Lease of heavy equipment	<u>-</u>	<u>40,703</u>	<u>-</u>	<u>-</u>	<u>40,703</u>
	<u>92,274</u>	<u>50,744</u>	<u>6,375</u>	<u>-</u>	<u>149,393</u>
Segment results	<u>4,082</u>	<u>14,187</u>	<u>319</u>	<u>(2,744)</u>	<u>15,844</u>
For the six months ended					
31 January 2025					
Revenue from external customers	<u>88,777</u>	<u>57,564</u>	<u>5,125</u>	<u>-</u>	<u>151,466</u>
Disaggregated by timing of revenue recognition					
A point in time	<u>88,777</u>	<u>-</u>	<u>5,125</u>	<u>-</u>	<u>93,902</u>
Over time	<u>-</u>	<u>9,468</u>	<u>-</u>	<u>-</u>	<u>9,468</u>
Total revenue from contracts with customers	<u>88,777</u>	<u>9,468</u>	<u>5,125</u>	<u>-</u>	<u>103,370</u>
Lease of heavy equipment	<u>-</u>	<u>48,096</u>	<u>-</u>	<u>-</u>	<u>48,096</u>
	<u>88,777</u>	<u>57,564</u>	<u>5,125</u>	<u>-</u>	<u>151,466</u>
Segment results	<u>7,183</u>	<u>15,296</u>	<u>177</u>	<u>(5,801)</u>	<u>16,855</u>

(ii) Geographical information

Since all of the Group's revenue was generated in Hong Kong and all of the Group's identifiable assets and liabilities were located in Hong Kong, no geographical information is presented.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended	
	31 January	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Compensation income from suppliers	449	659
Government grants	216	310
Bank interest income	899	481
Foreign exchange gain/(loss), net	202	(1,360)
Net loss on disposals of property, plant and equipment	(118)	–
Write-off of property, plant and equipment	(39)	–
Others	146	301
	<u>1,755</u>	<u>391</u>

5. INCOME TAX EXPENSE

The income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended	
	31 January	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax		
Provision for the period	3,755	3,668
Over-provision in prior year	(2)	(6)
	<u>3,753</u>	<u>3,662</u>
Deferred tax	<u>(1,322)</u>	<u>(808)</u>
	<u>2,431</u>	<u>2,854</u>

The Company was incorporated in the Cayman Islands and TLMC Company Limited, a wholly-owned subsidiary of the Company, was incorporated in the British Virgin Islands (“BVI”). Both companies are tax exempted as no business was carried out in the Cayman Islands and the BVI under the tax laws of the Cayman Islands and the BVI.

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying group entity established in Hong Kong will be taxed at 8.25% (2025: 8.25%), and profits above that amount will be subject to the tax rate of 16.5% (2025: 16.5%). The profits of the group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5% (2025: 16.5%).

6. PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging/(crediting) the following:

	Six months ended	
	31 January	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditor's remuneration	385	378
Cost of inventories sold	77,553	69,575
Depreciation on property, plant and equipment	14,722	16,141
Depreciation on right-of-use assets	1,091	2,696
Depreciation on investment property	306	306
Direct operating expense of an investment property that generates rental income	25	25
Net loss on disposals of property, plant and equipment	118	–
Short-term lease charges in respect of:		
– Office and warehouse premises	1,464	993
– Machineries	814	2,397
Reversal of allowance for inventories	(615)	(202)
Reversal of impairment of property, plant and equipment, net	(717)	(534)
Write-off of property, plant and equipment	39	–
Staff costs (including Directors' emoluments):		
– Fees, salaries, allowances and bonus	26,143	26,605
– Retirement benefit scheme contributions	824	858
– Quarter expenses	860	860
– Others	461	459
	<u>28,288</u>	<u>28,782</u>

7. DIVIDENDS

	Six months ended	
	31 January	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Dividend paid		
2025 final dividend of HK2.0 cents per ordinary share	20,000	–
2024 final dividend of HK1.5 cents per ordinary share	–	15,000
	<u>20,000</u>	<u>15,000</u>
Dividend declared		
Interim dividend of HK1.5 cents per ordinary share (six months ended 31 January 2025: HK1.5 cents)	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

8. EARNINGS PER SHARE

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

	Six months ended	
	31 January	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings:		
Profit attributable to owners of the Company	<u>13,413</u>	<u>14,001</u>
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<u>1,000,000</u>	<u>1,000,000</u>

Note:

The calculation of the basic earnings per share is based on the weighted average 1,000,000,000 ordinary shares (six months ended 31 January 2025: 1,000,000,000 ordinary shares) in issue during the period.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the six months ended 31 January 2026 and 2025.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 January 2026, the Group acquired items of property, plant and equipment with cost of approximately HK\$199,000 (six months ended 31 January 2025: approximately HK\$318,000). During the six months ended 31 January 2026, items of property, plant and equipment with a net book value of approximately HK\$189,000 were disposed of, resulting in a net loss on disposal of approximately HK\$118,000.

During the six months ended 31 January 2026, property, plant and equipment with carrying amount of approximately HK\$6,022,000 (six months ended 31 January 2025: approximately HK\$18,558,000) were reclassified from inventories held for sale.

During the six months ended 31 January 2026, property, plant and equipment with carrying amount of approximately HK\$2,555,000 (six months ended 31 January 2025: approximately HK\$12,689,000) were reclassified to inventories held for sale.

10. TRADE AND LEASE RECEIVABLES

	At 31 January 2026 <i>HK\$'000</i> (unaudited)	At 31 July 2025 <i>HK\$'000</i> (audited)
Trade and lease receivables	66,337	62,673
Less: Allowance for expected credit losses	<u>(2,596)</u>	<u>(3,907)</u>
	<u>63,741</u>	<u>58,766</u>

The Group's credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance or cash on delivery is normally required. The Group seeks to maintain strict control over its outstanding balances. Overdue balances are reviewed regularly by the Directors.

The ageing analysis of trade and lease receivables, based on the invoice date, and net of allowance for expected credit losses, is as follows:

	At 31 January 2026 <i>HK\$'000</i> (unaudited)	At 31 July 2025 <i>HK\$'000</i> (audited)
0 to 90 days	39,589	36,774
91 to 180 days	18,722	10,330
181 to 365 days	4,533	11,567
Over 365 days	<u>897</u>	<u>95</u>
	<u>63,741</u>	<u>58,766</u>

The Group applied simplified approach to provide the expected credit loss prescribed by HKFRS 9. The estimated loss rates are estimated based on historical observed default rates over the expected life of debtors and are adjusted for forward-looking information that is available without undue cost or effort.

11. TRADE PAYABLES

The credit period on trade payables ranges from 0 to 120 days.

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	At 31 January 2026 HK\$'000 (unaudited)	At 31 July 2025 HK\$'000 (audited)
0 to 30 days	1,563	898
31 to 90 days	335	597
Over 90 days	73	–
	<u>1,971</u>	<u>1,495</u>

12. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 July 2024, 31 July 2025, 1 August 2025 and 31 January 2026 (unaudited)	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 31 July 2024, 31 July 2025, 1 August 2025 and 31 January 2026 (unaudited)	<u>1,000,000,000</u>	<u>10,000</u>

13. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

As at 31 January 2026, the outstanding lease commitments relating to warehouse and office were approximately HK\$280,000 (31 July 2025: HK\$1,240,000).

The Group as lessor

As at 31 January 2026, the total future minimum lease payments under non-cancellable operating leases were receivable as follows:

	Within one year <i>HK\$'000</i>	In the second year <i>HK\$'000</i>	In the third year <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 January 2026 (unaudited)				
Lease machineries	7,030	64	–	7,094
	<u><u>7,030</u></u>	<u><u>64</u></u>	<u><u>–</u></u>	<u><u>7,094</u></u>
At 31 July 2025 (audited)				
Lease machineries	12,330	190	6	12,526
	<u><u>12,330</u></u>	<u><u>190</u></u>	<u><u>6</u></u>	<u><u>12,526</u></u>

14. CAPITAL COMMITMENTS

As at 31 January 2026, the Group had capital commitments contracted, but not provided for in respect of the purchases of property, plant and equipment of approximately HK\$390,000 (31 July 2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a heavy equipment sales and leasing service provider in Hong Kong with over 25 years of presence in the industry. The Group is principally engaged in (i) the sales of new and used heavy equipment and spare parts, (ii) the leasing of earthmoving equipment as well as provision of machine operators, and (iii) the provision of repair, logistics and other ancillary services.

The Group recorded a decrease in profit attributable to owners of the Company for the six months ended 31 January 2026 (the “**Period**”) by approximately 4.3% to approximately HK\$13.4 million from approximately HK\$14.0 million for the six months ended 31 January 2025.

The decrease in net profit of the Group for the Period was mainly attributed to the decrease in the leasing of heavy equipment as the related works for the three-runway system and landfill extension projects were substantially completed, and the decline in gross profit margin of the sales and leasing segments.

Earnings per share for the Period was approximately HK1.34 cents, representing a decrease of approximately 4.3% compared with approximately HK1.40 cents for the same period in 2025.

Over the past few years, the global economic landscape, including Hong Kong, has been deeply affected by geopolitical tensions and a persistently high interest rate environment, and the heavy equipment sales and leasing industry was no exception. With the city’s economy in gradual recovery, and the re-affirmation by the Government of the Hong Kong Special Administrative Region (the “**HKSAR Government**”) of its commitment to infrastructure-led growth, the 2026–2027 Budget Speech continues to position large scale development as a key strategic priority. In particular, the acceleration of the Northern Metropolis Development, San Tin Technopole, the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone and related transport and community facilities, together with other major infrastructure and public works, are expected to sustain average annual capital works expenditure at a high level of approximately HK\$120 billion in the coming years. Coupled with HKSAR Government’s further measures to support the development of the construction industry, encourage the adoption of innovative construction technologies and optimise land and housing planning, the Group believes that the demand for its heavy equipment will remain resilient in the foreseeable future. While closely monitoring the industry development, the Group will continue to implement its corporate strategies to safeguard and pursue long term growth. The Group will also diversify its supplier base and actively source and promote Smart Site Safety System (4S) solutions and other innovative, high quality products to enhance sustainability, productivity and competitiveness across its operations.

FINANCIAL REVIEW

Revenue

The Group recorded a decrease in revenue for the Period by approximately 1.4% to approximately HK\$149.4 million from approximately HK\$151.5 million for the six months ended 31 January 2025. The decrease was mainly attributable to a decrease in revenue from leasing business of approximately HK\$6.8 million, which was partially offset by increases in sales of heavy equipment and spare parts of approximately HK\$3.5 million and income from provision of repair, logistics and other ancillary services of approximately HK\$1.2 million. Despite lower demand for the leasing of heavy equipment as mentioned in Business Review and Outlook section, during the Period, the sales of heavy equipment and spare parts increased by approximately 3.9%, which were supported by various developments and work projects, and the broader adoption of advanced construction technologies, equipment and machinery by customers in both private and public projects as encouraged by the HKSAR Government.

Cost of revenue

The Group's cost of revenue amounted to approximately HK\$118.2 million for the Period, representing an increase of approximately HK\$4.2 million or 3.7% from approximately HK\$114.0 million for the six months ended 31 January 2025. Cost of revenue mainly comprised costs of machinery, equipment and spare parts, depreciation, repairs and maintenance costs as well as staff costs for operators, technicians and inspectors. The increase was mainly driven by a corresponding increase in sales of machinery, equipment and spare parts by approximately 3.9%.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 16.8% from approximately HK\$37.5 million for the six months ended 31 January 2025 to approximately HK\$31.2 million for the Period, with gross profit margin at approximately 20.9% for the Period as compared to approximately 24.8% for the corresponding period last year.

The decrease in gross profit was mainly attributable to decreases in revenue and gross profit margin of the leasing business, and the decrease in gross profit margin of the sales business despite an increase in its revenue.

Other income and other gains and losses

Other income and other gains and losses increased by approximately 350.0% from approximately HK\$0.4 million for the six months ended 31 January 2025 to approximately HK\$1.8 million for the Period. The increase was mainly due to the recognition of a net foreign exchange gain of approximately HK\$0.2 million for the Period whereas a net foreign exchange loss of approximately HK\$1.4 million was recognised for the six months ended 31 January 2025.

Reversal of allowance for trade and lease receivables

The Group has recorded a reversal of allowance for trade and lease receivables of approximately HK\$1.2 million for the Period. The reversal of allowance was mainly due to the settlement of outstanding amounts by certain customers, which were assessed individually under the expected credit loss model as at 31 July 2025.

Administrative and other operating expenses

The administrative and other operating expenses decreased by approximately HK\$4.1 million or approximately 18.3% from approximately HK\$22.4 million for the six months ended 31 January 2025 to approximately HK\$18.3 million for the Period. The decrease was mainly attributable to the decreases in overall operating costs and the legal and professional fees.

Finance costs

The finance costs represented the interest expenses on lease liabilities amounting to approximately HK\$0.1 million for the six months ended 31 January 2025 and for the Period.

Income tax expense

The income tax expense decreased by approximately HK\$0.4 million or approximately 14.8% for the Period compared with the same period last year. The decrease was mainly due to a decrease in assessable profits for the Period.

Profit and total comprehensive income for the Period

As a result of the foregoing, the Group's profit and total comprehensive income for the Period decreased by approximately 4.3% from approximately HK\$14.0 million for the six months ended 31 January 2025 to approximately HK\$13.4 million for the Period, with the net profit margin of the Group decreased to approximately 9.0% for the Period as compared to approximately 9.2% for the six months ended 31 January 2025.

Liquidity and financial resources

The Group financed the operations primarily with cash flow from operations and bank borrowings. The current ratio (as calculated by dividing the total current assets by the total current liabilities) of the Group as at 31 January 2026 was approximately 14.0 times (31 July 2025: approximately 12.2 times). As at 31 January 2026, the Group had bank and cash balances of approximately HK\$137.8 million (31 July 2025: approximately HK\$118.5 million).

As at 31 January 2026 and 31 July 2025, the Group did not have any bank borrowings. The gearing ratio, calculated based on the total debts (including bank borrowings and lease liabilities) divided by the total equity at the end of the period/year and multiplied by 100%, was approximately 0.4% as at 31 January 2026 (31 July 2025: approximately 0.5%). The Group had unutilised banking facilities of approximately HK\$90.0 million as at 31 January 2026 (31 July 2025: approximately HK\$90.0 million). The Directors consider that the Group's financial position is sound and strong. With available bank and cash balances and banking facilities, the Group has sufficient liquidity to satisfy its funding requirements. The Group expects to fund its future operations and expansion plans primarily with cash generated from its operation and bank borrowings.

Capital structure

The capital structure of the Group consists of equity attributable to the owners of the Company, which comprises issued share capital and reserves. The Directors review the Group's capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group will adjust its overall capital structure through the payment of dividends, issuance of new shares and inception or repayment of bank borrowings.

As at 31 January 2026, the Company's issued share capital amounted to HK\$10,000,000 and there were a total of 1,000,000,000 issued ordinary shares with a nominal value of HK\$0.01 each.

Foreign exchange exposure

The Group has certain exposure to foreign currency risk as most of the business transactions, assets and liabilities are principally denominated in the functional currencies of the entities, Japanese Yen (“**JPY**”) and United States dollar (“**USD**”). There is a currency difference between the Group's revenue receipts (which are denominated in HK\$) and some of the payments for purchases (which are denominated in JPY and USD). The Group currently does not have a formal foreign currency hedging policy. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Material acquisitions or disposals, significant investments, and plans for material investments or capital assets

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period. As at 31 January 2026, the Group did not have any significant investments or any plans for material investments or capital assets.

Charges of assets and contingent liabilities

As at 31 January 2026, the Group did not have any charges on the Group's assets for its bank borrowings (31 July 2025: Nil).

As at 31 January 2026, the Group did not have any material contingent liabilities (31 July 2025: Nil).

Employees and remuneration policies

As at 31 January 2026, the Group employed 111 (31 July 2025: 116) full-time employees. The total staff costs (including Directors' emoluments) were approximately HK\$28.3 million for the Period (six months ended 31 January 2025: approximately HK\$28.8 million). The Group determines the employees' remuneration based on factors such as their performance, qualification, position, duty, contributions and years of experience, local market conditions and the Group's results. The remuneration policy is reviewed by the Board regularly. The remuneration package includes salary, allowances and bonus. The Group also makes contributions to the mandatory provident fund schemes. The Company adopted a share option scheme on 30 June 2017 (the "**Share Option Scheme**") for the purpose of enabling the Company to grant options to, among others, the employees and directors of the Group as incentives or rewards for their contribution or potential contribution to the Group. The Group also arranges technical trainings to its existing employees on the operations of its existing and newly introduced heavy vehicles and other heavy equipment provided by the manufacturers.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK1.5 cents per ordinary share for the Period (the "**Interim Dividend**"), payable in cash on or about Wednesday, 29 April 2026 to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company (the "**Register of Members**") on Wednesday, 15 April 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' entitlement to the Interim Dividend, the Register of Members will be closed from Monday, 13 April 2026 to Wednesday, 15 April 2026, both days inclusive, during which period no transfer of the Company's shares shall be registered. In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 10 April 2026.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of good corporate governance and complied with all applicable code provisions as contained in Part 2 of Appendix C1 to the Listing Rules during the Period, save for the deviation from code provision C.2.1.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Chow Luen Fat (“**Mr. Chow**”) is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Chow is one of the founders of the Group and has been operating and managing the Group since its establishment in 2001, all the other Directors believe that the vesting of the roles of chairman and chief executive officer in Mr. Chow is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by the said code provision.

SHARE OPTION SCHEME

The Share Option Scheme is a share incentive scheme. No share options have been granted or agreed to be granted under the Share Option Scheme for the period from the date of its adoption to 31 January 2026 and up to the date of this announcement. As such, no share options were outstanding as at 31 January 2026 and no share options were exercised, cancelled or lapsed under the Share Option Scheme from the date of its adoption to the end of the Period on 31 January 2026 and up to the date of this announcement. As at both the beginning and the end of the Period, the maximum number of the shares of the Company in respect of which share options may be granted under the Share Option Scheme was 100,000,000.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company during the Period. As at 31 January 2026, there were no treasury shares held by the Company and its subsidiaries.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct for securities transactions by Directors. The Company has made specific enquiries to all Directors regarding any non-compliance with the Model Code. All the Directors have confirmed that they had complied with the required standard set out in the Model Code during the Period.

IMPORTANT EVENTS AFTER THE PERIOD

The Board is not aware of any important events affecting the Group, which have occurred subsequent to the end of the Period and up to the date of this announcement.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the Period have not been reviewed by the external auditor, but have been reviewed by the audit committee of the Board (the “**Audit Committee**”) comprising three independent non-executive Directors, namely Mr. Law Tze Lun (chairman of the Audit Committee), Sir Kwok Siu Man KR and Dr. Wong Man Hin Raymond.

By order of the Board
Tak Lee Machinery Holdings Limited
Chow Luen Fat
Chairman and Chief Executive Officer

Hong Kong, 24 March 2026

As at the date of this announcement, the executive Directors are Mr. Chow Luen Fat (chairman and chief executive officer), Ms. Liu Shuk Yee and Ms. Ng Wai Ying; the non-executive Director is Ms. Cheng Ju Wen; and the independent non-executive Directors are Sir Kwok Siu Man KR, Mr. Law Tze Lun and Dr. Wong Man Hin Raymond.