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Maxicity Holdings Limited

豐城控股有限公司

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 2295)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS:

- The Group's revenue increased from approximately HK\$205.8 million for the year ended 31 December 2024 to approximately HK\$238.6 million for the year ended 31 December 2025, representing an increase of approximately HK\$32.8 million or 15.9%.
- Profit and total comprehensive income for the year amounted to approximately HK\$12.6 million, representing an increase of approximately HK\$3.9 million or 44.2% as compared with HK\$8.7 million for the year ended 31 December 2024.
- The Board does not recommend the declaration and payment of final dividend for the year ended 31 December 2025 (2024: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Maxicity Holdings Limited (the “**Company**”) hereby announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2025 together with the comparative figures for the corresponding year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Revenue	4	238,557	205,780
Cost of services		<u>(210,431)</u>	<u>(188,092)</u>
Gross profit		28,126	17,688
Other income and other gains, net	5	1,599	1,412
Administrative expenses		(14,759)	(8,954)
Finance costs	6	<u>(67)</u>	<u>(102)</u>
Profit before income tax	7	14,899	10,044
Income tax expense	8	<u>(2,286)</u>	<u>(1,299)</u>
Profit and total comprehensive income for the year		<u>12,613</u>	<u>8,745</u>
Earnings per share attributable to equity holders of the Company			
Basic and diluted	10	<u>HK3.15 cents</u>	<u>HK2.19 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current asset			
Property, plant and equipment		<u>6,741</u>	<u>8,256</u>
Current assets			
Trade and other receivables	11	5,801	25,341
Contract assets	12	29,130	13,860
Current tax recoverable		–	1,095
Cash and bank balances		<u>81,731</u>	<u>63,365</u>
		<u>116,662</u>	<u>103,661</u>
Current liabilities			
Trade and other payables	13	23,196	24,753
Contract liabilities	12	2,706	3,136
Lease liabilities	14	529	843
Current tax payable		<u>1,223</u>	<u>–</u>
		<u>27,654</u>	<u>28,732</u>
Net current assets		<u>89,008</u>	<u>74,929</u>
Total assets less current liabilities		<u>95,749</u>	<u>83,185</u>
Non-current liabilities			
Lease liabilities	14	110	272
Long service payment obligations	15	531	293
Deferred tax liabilities		<u>670</u>	<u>795</u>
		<u>1,311</u>	<u>1,360</u>
Net assets		<u>94,438</u>	<u>81,825</u>
EQUITY			
Share capital	16	4,000	4,000
Reserves		<u>90,438</u>	<u>77,825</u>
Equity attributable to equity holders of the Company		<u>94,438</u>	<u>81,825</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Act of the Cayman Islands on 30 January 2019. The addresses of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Room 302, 3/F, Magnet Place Tower 1, 77-81 Container Port Road, Kwai Chung, New Territories, Hong Kong.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The Group is principally engaged in undertaking slope works in Hong Kong.

The Company's immediate and ultimate holding company is Good Hill Investment Limited ("**Good Hill**"), a company incorporated in the British Virgin Islands (the "**BVI**"). The ultimate controlling shareholders of the Group are Mr. Sieh Shing Kee and Mr. Ho Ka Ki.

The consolidated financial statements were approved for issue by the board of directors on 26 March 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations ("**HKFRS Accounting Standards**") and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

The material accounting policies that have been used in the preparation of this consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRS Accounting Standards and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared under the historical cost basis. The consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand (HK\$'000), except where otherwise indicated.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

3.1 Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 January 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 “Lack of Exchangeability” which are effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025:

The amendments do not have a material impact on the financial statements of the Group.

3.2 Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group’s accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group’s consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax” and “discontinued operation”), depending on the reporting entity’s main business activities, in the statement of profit or loss;
- disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are currently working to identify all the impacts of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

4.1 Revenue

The Group's principal activities are disclosed in note 1 of the consolidated financial statements. Revenue represents income arising on the provision of slope works to external customers. The Group's revenue is recognised over time.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Provision of slope works		
– Public sector projects	224,407	193,598
– Private sector projects	14,150	12,182
	<u>238,557</u>	<u>205,780</u>

Remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Remaining performance obligations expected to be satisfied during the year ending		
31 December 2025	–	338,651
31 December 2026	293,921	36,349
31 December 2027	100,283	–
31 December 2028	50,930	–
31 December 2029	50,930	–
	<u>496,064</u>	<u>375,000</u>

4.2 Segment information

The chief operating decision-maker has been identified as the executive directors of the Company. The directors regard the Group's business of undertaking slope works as a single operating segment and review the overall results of the Group as a whole to make decision about resources allocation and performance assessment. Accordingly, no segment analysis information is presented.

Geographical information

No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	42,531	21,826
Customer B	48,919	64,102
Customer C	25,598	42,738
Customer D	95,221	53,916
	<u> </u>	<u> </u>

5. OTHER INCOME AND OTHER GAINS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	999	1,466
Gain/(Loss) on disposal of property, plant and equipment	459	(34)
Gain/(Loss) on early termination of lease	18	(20)
Gain on disposal of a subsidiary (<i>note 18</i>)	121	–
Sundry income	2	–
	<u> </u>	<u> </u>
	<u>1,599</u>	<u>1,412</u>

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Finance charges on lease liabilities	54	75
Net interest expense on long service payment (the "LSP") obligations (<i>note 15</i>)	13	27
	<u> </u>	<u> </u>
	<u>67</u>	<u>102</u>

7. PROFIT BEFORE INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before income tax is arrived at after charging:		
(a) Employee benefit expenses (including directors' emoluments) <i>(note)</i>		
– Salaries, wages and other benefits	74,667	58,726
– Contributions to defined contribution retirement plans	2,177	1,880
– Expenses arising from LSP obligations	225	266
	<u>77,069</u>	<u>60,872</u>
<i>Note:</i> Presenting in consolidated statement of profit or loss and other comprehensive income as:		
– Cost of services	66,396	55,566
– Administrative expenses	10,673	5,306
	<u>77,069</u>	<u>60,872</u>
(b) Other items		
Depreciation, included in:		
– Cost of services		
– Owned assets	3,124	3,345
– Right-of-use assets	872	847
– Administrative expenses		
– Owned assets	200	17
– Right-of-use assets	55	109
	<u>4,251</u>	<u>4,318</u>
Auditor's remuneration	900	830
Subcontracting charges (included in "Cost of services")	106,767	88,963
Short-term lease with lease term less than 12 months in respect of machinery (included in "Cost of services")	435	356
Short-term lease with lease term less than 12 months in respect of a carpark (included in "Administrative expenses")	–	60
	<u>–</u>	<u>60</u>

8. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Current tax	2,411	1,188
– Over-provision in respect of prior years	–	(29)
	<u>2,411</u>	<u>1,159</u>
Deferred tax	(125)	140
	<u>2,286</u>	<u>1,299</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%.

For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax of A-City Workshop Limited (the “**A-City Workshop**”), a subsidiary of the Group, is calculated in accordance with the two-tiered profits tax rates regime. Profits tax of other group entities continue to be taxed at the flat rate of 16.5%.

9. DIVIDENDS

(a) Dividends attributable to the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Special dividend of HK17.5 cents per ordinary share for the year ended 31 December 2024	–	70,000

(b) Dividends approved and paid during the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Special dividend of HK17.5 cents per ordinary share for the year ended 31 December 2024	–	70,000

In the meeting of the board of directors held on 19 January 2024, the board proposed a special dividend of HK17.5 cents per ordinary share, totalling HK\$70,000,000. The proposal was approved by shareholders of the Company in the extraordinary general meeting held on 2 February 2024 and the special dividend was paid on 16 February 2024.

The board of directors does not recommend the payment of final dividend for the years ended 31 December 2025 and 2024.

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earning attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Earnings for the purpose of calculating basic earnings per share (profit for the year) (<i>HK\$'000</i>)	12,613	8,745
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (<i>in thousand</i>)	400,000	400,000

Diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares during the years ended 31 December 2025 and 2024.

11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables (<i>note (i)</i>)	1,404	19,872
Prepayments (<i>note (ii)</i>)	2,698	3,262
Other receivables and deposits (<i>note (iii)</i>)	1,699	2,207
	<u>5,801</u>	<u>25,341</u>

The directors consider that the fair values of trade and other receivables are not materially different from their carrying amounts, because their balances have short maturity periods on their inception.

Notes:

(i) Trade receivables

The Group grants credit terms to customers for a period of 30 to 60 days from the invoice date for trade receivables. For settlement of trade receivables from provision of undertaking slope works, the Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgement and experience of the management.

Based on the invoice date, the ageing analysis of the trade receivables is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	1,140	17,164
31 to 90 days	–	1,130
Over 90 days	264	1,578
	<u>1,404</u>	<u>19,872</u>

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9 which permits the use of lifetime ECL provision for all trade receivables. As at 31 December 2025 and 2024, the Group assessed the loss allowance and the expected credit loss rate under the application of HKFRS 9 were insignificant.

(ii) Prepayments

As at 31 December 2025, prepayments mainly comprised of: (1) prepaid expenses for insurance covered in sites operation and machinery rentals expenses which amounted to HK\$2,524,000 (2024: HK\$3,262,000); and (2) prepaid materials which amounted to HK\$174,000 (2024: HK\$nil).

(iii) Other receivables and deposits

As at 31 December 2025, other receivables and deposits mainly comprised of: (1) utility and security deposits which amounted to HK\$1,449,000 (2024: HK\$2,045,000) and (2) interest receivables from bank fixed deposits which amounted to HK\$190,000 (2024: HK\$139,000).

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

12.1 Contract assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Unbilled revenue	26,407	7,708
Retention receivables	<u>2,723</u>	<u>6,152</u>
	<u><u>29,130</u></u>	<u><u>13,860</u></u>

Contract assets represent the Group's right to considerations from customers for the provision of undertaking slope work, which arise when: (i) the Group completed the relevant services under such contracts but yet certified by the customers or their agents; and (ii) the customers withhold certain certified amounts payable to the Group as retention money to secure the due performance of the contracts after the expiry of the defect liability period of construction projects. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer. As at 31 December 2025 and 2024, the Group assessed the loss allowance and the expected credit loss rate under the application of HKFRS 9 were insignificant.

Changes of contract assets during the year ended 31 December 2025 were mainly due to:

- (i) Changes in unbilled revenue as a result of number of contract works that the relevant services were completed and certified during the year; and
- (ii) Changes in retention receivables as a result of a decrease of number of ongoing and completed contracts under the defect liability period during the year.

Movements in the contract assets balances during the years are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Transfers from contract assets recognised at the beginning of the year to trade receivables	<u><u>11,138</u></u>	<u><u>29,501</u></u>

12.2 Contract liabilities

	2025 HK\$'000	2024 HK\$'000
Contract liabilities arising from construction contracts from billings in advance of performance	<u>2,706</u>	<u>3,136</u>

All of the contract liabilities are expected to be recovered/settled within one year.

Revenue recognised in relation to contract liabilities

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>2,442</u>	<u>394</u>

13. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables (<i>note (i)</i>)	21,452	23,021
Accruals and other payables (<i>note (ii)</i>)	<u>1,744</u>	<u>1,732</u>
	<u>23,196</u>	<u>24,753</u>

Notes:

(i) Trade payables

The Group is granted by its suppliers a credit period ranging from 0 to 45 days. The ageing analysis of trade payables based on the invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	21,228	22,398
31 to 60 days	–	–
61 to 90 days	–	–
91 to 365 days	–	399
Over 365 days	<u>224</u>	<u>224</u>
	<u>21,452</u>	<u>23,021</u>

(ii) Accruals and other payables

As at 31 December 2025, accruals and other payables mainly comprised of: (1) other payable to subcontractor which amounted to HK\$340,000 (2024: HK\$340,000); and (2) accrued professional fees which amounted to HK\$1,400,000 (2024: HK\$1,330,000).

All amounts are short-term and hence, the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

14. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Total minimum lease payments:		
Within one year	545	890
After one year but within two years	111	278
	<u>656</u>	<u>1,168</u>
Less: Future finance charges on lease liabilities	(17)	(53)
	<u>639</u>	<u>1,115</u>
Present value of lease liabilities	639	1,115
Present value of minimum lease payments:		
Within one year	529	843
After one year but within two years	110	272
	<u>639</u>	<u>1,115</u>
Less: Portion due within one year included under current liabilities	(529)	(843)
	<u>110</u>	<u>272</u>
Portion due after one year included under non-current liabilities	<u>110</u>	<u>272</u>

During the year ended 31 December 2025, the total cash outflows for the leases are approximately HK\$1,318,000 (2024: HK\$1,198,000).

15. LSP OBLIGATIONS

Pursuant to the Hong Kong Employment Ordinance, Chapter 57, Hong Kong employees that have been employed continuously for at least five years are entitled to LSP under certain circumstances (e.g. dismissal by employers or upon retirement).

The amount of LSP payable is determined with reference to the employee's last monthly salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme, with an overall cap of HK\$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligations.

In June 2022, the Hong Kong SAR Government (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Amendment Ordinance took effect on 1 May 2025 (the "**Transition Date**"). Separately, the Government implemented a scheme to subsidise a portion of the post-transition LSP payable by employer up to a certain amount per employee per year for a period of 25 years after the Transition Date (the "**LSP Subsidy**").

Among other things, upon the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date. In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The benefit payment under LSP remains capped at HK\$390,000 per employee. If an employee's total benefit payment exceeds HK\$390,000, the amount in excess of the cap is deducted from the portion accrued from the Transition Date.

The Group has determined that the Amendment Ordinance primarily impacts the Group's LSP obligations with respect to Hong Kong employees.

The Group was not entitled to any LSP Subsidy during the year ended 31 December 2025.

The present value of unfunded LSP obligations and its movements are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of the year	293	–
Expenses recognised in profit or loss:		
– Current service cost	225	266
– Interest cost	13	27
	<u>531</u>	<u>293</u>
At end of the year	<u><u>531</u></u>	<u><u>293</u></u>

The current service cost is included in “employee benefits expenses” and interest cost is included in “finance costs”. They are recognised in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of services	171	154
Administrative expenses	54	112
Finance costs	13	27
	<u>238</u>	<u>293</u>
	<u><u>238</u></u>	<u><u>293</u></u>

Estimates and assumptions

The significant actuarial assumptions for the determination of LSP obligations are as follows:

	2025	2024
Discount rate	3.7%	4.1%
Salary growth rate	3.8%	3.1%
	<u>3.8%</u>	<u>3.1%</u>

These assumptions were developed by management. Discount factors are determined close to each period-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related LSP obligations. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the LSP obligations was measured using the projected unit credit method.

The weighted average duration of the LSP obligations is 19 years (2024: 18 years).

Expected maturity analysis of undiscounted LSP obligations in the coming years as at 31 December 2025 and 31 December 2024 is disclosed as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within a year	–	–
Over 1 year but within 2 years	26	–
Over 2 years but within 5 years	84	22
Over 5 years	421	271
	<u>531</u>	<u>293</u>

The LSP obligations expose the Group to actuarial risks such as interest rate risk, salary risk and the investment risk of the Group's MPF scheme's constituent funds.

16. SHARE CAPITAL

The authorised and issued share capital of the Company for the years ended 31 December 2025 and 2024 are as follows:

Ordinary shares of HK\$0.01 each	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:		
As at 31 December 2025 and 2024	1,000,000,000	10,000
Issued and fully paid:		
As at 31 December 2025 and 2024	400,000,000	4,000

17. POTENTIAL LITIGATION

As at 31 December 2025 and 2024, the Group has been involved in certain potential litigations and claims against the Group regarding the employees' compensation and common law personal injury claim. The directors are of the opinion that the potential litigations and claims are not expected to have a material impact on the Group's consolidated financial statements, and the outcome for potential claims is uncertain. Accordingly, no provision has been made to the consolidated financial statements.

18. BOND ISSUANCE AND REDEMPTION

The Group incorporated Kinglink Capital Holdings Company Limited ("**Kinglink Capital**") in Hong Kong on 2 June 2025 and held 100% equity interests in Kinglink Capital.

On 25 June 2025, Kinglink Capital issued a one-year bond (the "**Bond**") to two independent private investors (the "**Subscribers**") with an aggregate principal amount of HK\$40,000,000 and a fixed coupon rate of 8% annually.

Following the change in business plan, a further agreement was reached between the Group and the Subscribers and the Bond was fully redeemed without any accrued interest on 25 July 2025.

On 17 September 2025, the Group disposed of 100% equity interests in Kinglink Capital to an independent third party at a cash consideration of HK\$65,000. The Group recognised a gain on disposal of a subsidiary of HK\$121,000 (Note 5).

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a slope works contractor in Hong Kong. The slope works undertaken by the Group generally involve landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. The Group is experienced in undertaking different kinds of slope works which mainly comprise the following activities:

- (i) drilling and installation of soil nails;
- (ii) construction of retaining walls;
- (iii) installation of debris flow protection rigid barriers;
- (iv) construction of flexible barrier system;
- (v) installation of raking drains;
- (vi) installation of wire meshes and mats for erosion control;
- (vii) construction of concrete maintenance stairway/access; and
- (viii) landscape softworks and establishment works.

A-City Workshop, the Group's principal operating subsidiary, has obtained the following registrations:

- (i) an approved specialist contractor on the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau under the category of "Landslip preventive/remedial works to slopes/retaining walls" ("**Approved Specialist Contractor**");
- (ii) a Registered General Building Contractor under section 8A of the Buildings Ordinance;
- (iii) a Registered Specialist Contractor under the sub-register of "site formation works" under section 8A of the Buildings Ordinance; and
- (iv) a Registered Subcontractor for earthwork and geotechnical works under Register of Subcontractors of the Construction Industry Council.

During the year ended 31 December 2025, the Group undertook 27 contracts with an aggregate contract sum of approximately HK\$1,137.2 million in which the Group had completed 5 contracts with an aggregate contract sum of approximately HK\$38.2 million. As at 31 December 2025, the Group had 22 contracts in progress with an aggregate contract sum of approximately HK\$1,099.0 million. In additions, 1 project which were previously considered as practically completed also contributed revenue in this year.

PROSPECTS/BUSINESS OUTLOOK

In 2025, the Civil Engineering and Development Department (the “CEDD”) continued the Landslip Prevention and Mitigation Programme (the “LPMitP”) to upgrade Government manmade slopes, mitigate landslide hazards and conduct safety screenings. Under the LPMitP, 112 man-made slopes were upgraded in the nine months ended 30 September 2025. As put forward in the Hong Kong 2026–2027 Budget by the Government, the Government estimated that the expenditure for landslip prevention and mitigation will reach HK\$1.4 billion in 2026. In the Chief Executive’s 2025 Policy Address announced in October 2025, the Chief Executive announced a series of policy measures to enhance land supply, including that the Government will (i) build land reserve by getting ready around 2,600 hectares of spade-ready sites; (ii) streamline statutory procedures and administrative workflows for construction; (iii) conduct assessments of industrial land for revitalization; and (iv) improve urban renewal by increasing plot ratio of private redevelopment projects, reserve sites for urban renewal flat-for-flat scheme and relax transfer of plot ratio.

The Group is a slope works contractor in Hong Kong. The Group has commenced its business in 2013 and mainly undertook slope works in the role of subcontractor through A-City Workshop, the Group’s principal operating subsidiary. The slope works undertaken by the Group generally involve landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls.

The Group experienced a challenging year in 2025 but recognised improvement in revenue and profit. Hong Kong is also affected by the geopolitical tensions and the tariff war initiated by the Trump administration, resulting in significant uncertainties in the economic prospect of Hong Kong. However, according to the Government, a consolidated surplus of HK\$22.1 billion is expected for the year 2026-2027, and the fiscal reserves will rise to HK\$679.3 billion. The expenditure for landslip prevention and mitigation is expected to increase from HK\$1.3 billion in 2024 to HK\$1.4 billion in 2026. The Group believes that the demand of slope works will continue to increase and there are plenty of opportunities for the Group to develop. Considering the uncertainties in labour and material costs, which are affected by the macroeconomic of Hong Kong and the global market, the Directors have adopted a more conservative approach in tendering new projects. The Directors remain cautious on the Group’s business outlook in 2026.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK\$205.8 million for the year ended 31 December 2024 to approximately HK\$238.6 million for the year ended 31 December 2025, representing an increase of approximately 15.9% or approximately HK\$32.8 million. The Group's revenue increased primarily due to the increase in both the Group's number of projects and the Group's revenue derived from private sector projects. They are illustrated in the tables below:

Number of projects with revenue contributions:

	2025	2024
Public sector projects	14	14
Private sector projects	14	9
Total	<u>28</u>	<u>23</u>

	2025	2024
Revenue recognised:		
HK\$10.0 million or above	7	6
HK\$5.0 million to below HK\$10.0 million	1	4
HK\$1.0 million to below HK\$5.0 million	8	4
Below HK\$1.0 million	12	9
Total	<u>28</u>	<u>23</u>

Cost of Services

Cost of services increased by approximately HK\$22.3 million, or 11.9%, from approximately HK\$188.1 million for the year ended 31 December 2024 to approximately HK\$210.4 million for the year ended 31 December 2025. Such increase in cost of services was mainly driven by the increase in revenue.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately HK\$10.4 million, or 59.0%, from approximately HK\$17.7 million for the year ended 31 December 2024 to approximately HK\$28.1 million for the year ended 31 December 2025. Gross profit margin increased from approximately 8.6% for the year ended 31 December 2024 to approximately 11.8% for the year ended 31 December 2025. During the year, half of our major projects progressed to their final stages, with a significant portion of the works already completed by our direct labour. As a result, the procurement of raw materials for the remaining scope of work was substantially reduced.

In addition, depreciation and amortisation charges, along with insurance expenses, remained consistent with the prior year. Although subcontracting charges increased along with the revenue during the year, the overall gross profit improved, underpinned by the efficient utilisation of resources and controlled input costs. This performance reflects our continued focus on operational efficiency and cost management as we move towards project completion.

Other Income and Other Gains, net

Other income and other gains, net increased by approximately HK\$0.2 million or 13.2%, from approximately HK\$1.4 million for the year ended 31 December 2024 to approximately HK\$1.6 million for the year ended 31 December 2025. The increase in other income and other gains, net was primarily attributable to the increase in gain/loss on disposal of property, plant and equipment by approximately HK\$0.5 million, while such increase was outweighed by the decrease in bank interest income by approximately HK\$0.5 million.

Administrative Expenses

Administrative expenses increased by approximately HK\$5.8 million, 64.8% from approximately HK\$9.0 million for the year ended 31 December 2024 to approximately HK\$14.8 million for the year ended 31 December 2025. The increase in administrative expenses was mainly contributed by the increase in directors' emoluments.

Finance Costs

The finance costs decreased by approximately HK\$35,000 or 34.3%, from approximately HK\$102,000 for the year ended 31 December 2024 to approximately HK\$67,000 for the year ended 31 December 2025. The decrease in finance costs was mainly attributable to the decrease in net interest expense on LSP obligations and the decrease in finance charges on lease liabilities.

Income Tax Expenses

The Group's income tax expenses increased from approximately HK\$1.3 million for the year ended 31 December 2024 to approximately HK\$2.3 million for the year ended 31 December 2025, representing an increase of approximately HK\$1.0 million or 76.0%. Such increase was primarily driven by the increase in profit before income tax.

Profit and Total Comprehensive Income for the Year

Profit and total comprehensive income for the year ended 31 December 2025 amounted to approximately HK\$12.6 million, increased by approximately HK\$3.9 million or 44.2%, as compared with HK\$8.7 million for the year ended 31 December 2024. Such increase was mainly attributable to the increase in gross profit for the year ended 31 December 2025 as mentioned above as compared to the year ended 31 December 2024.

Capital Commitments and Contingent Liabilities

As at 31 December 2025 and 2024, the Group had no material capital commitments nor contingent liabilities.

Pledge of Assets

As at 31 December 2025 and 2024, the Group did not have any pledge of assets.

LIQUIDITY AND FINANCIAL RESOURCES

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

The Group maintained a sound financial position during the year ended 31 December 2025. As at 31 December 2025, the Group had cash and bank balances of approximately HK\$81.7 million (as at 31 December 2024: approximately HK\$63.4 million). The cash and bank balances were denominated in Hong Kong Dollars.

Dividend

The Board does not recommend the declaration and payment of final dividend for the year ended 31 December 2025 and 2024.

Bank Borrowings

As at 31 December 2025 and 2024, the Group had no outstanding bank borrowings.

Gearing ratio

The Group's gearing ratio (dividing lease liabilities by equity attributable to equity holders of the Company at year end date) decreased from approximately 1.4% as at 31 December 2024 to approximately 0.7% as at 31 December 2025. The decrease was mainly due to the increase in equity attributable to equity holders of the Company as at 31 December 2025, as compared with 31 December 2024.

ISSUANCE AND REDEMPTION OF BOND

On 25 June 2025, Kinglink Capital issued a bond in the aggregate principal amount of HK\$40,000,000 to the Subscribers. Subsequently, as of 25 July 2025, the Bond was fully redeemed in cash and settled in full, without any accrued interest. For further details, please refer to the announcements by the Company dated 10 June 2025, 25 June 2025 and 25 July 2025. Subsequently, the Company disposed the entire shareholding in Kinglink Capital, being a dormant company, to an independent third party for HK\$65,000.

Current ratio

As at 31 December 2025, the Group had net current assets of approximately HK\$89.0 million, representing an increase of approximately HK\$14.1 million as compared to that of approximately HK\$74.9 million as at 31 December 2024. The Group's current ratio increased from approximately 3.6 times as at 31 December 2024 to approximately 4.2 times as at 31 December 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 135 employees (2024: 150 employees) excluding the Directors. Total staff costs excluding Directors' remuneration amounted to approximately HK\$67.9 million for the year ended 31 December 2025 (2024: HK\$57.1 million). The remuneration packages the Group offers to its employees include salary and discretionary bonuses. The Group's remuneration policies are in line with the prevailing market practices and the staff remuneration is determined on the basis of the performance and experience of each individual employee. The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

FOREIGN CURRENCY FLUCTUATION

The Group's revenue and major expenses are mainly denominated in Hong Kong dollars. The Group's operating transactions such as revenue, direct costs, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Group currently has no foreign currency hedging policy and when needed, the management will monitor the foreign exchange exposure by closely monitoring the movements of foreign currency rates. The Group will consider hedging significant foreign currency exposure should the need arises.

CAPITAL EXPENDITURE

During the year ended 31 December 2025, the Group invested approximately HK\$2.4 million on the acquisition of property, plant and equipment. Capital expenditure was principally funded by internal resources.

CAPITAL STRUCTURE

As at 31 December 2025, the Company's issued capital was HK\$4,000,000 and the number of its issued ordinary shares was 400,000,000 of HK\$0.01 each. As at the date of this announcement, the capital structure of the Company comprised mainly issued share capital and reserves.

SIGNIFICANT INVESTMENT HELD

During the year ended 31 December 2025 and 2024, the Group did not hold any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2025 and up to the date of this announcement, the Group did not have any material acquisitions nor disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group does not have any other plans for material investments or capital assets.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

There was no other significant events relevant to the business or financial performance of the Group that come to the attention of the Directors.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Group has adopted the principles and code provisions as set out in the corporate governance code ("**CG Code**") contained in the Appendix C1 of the Rules Governing the Listing of Securities on the Main Board (the "**Listing Rules**"), as the basis of the Group's corporate governance practices.

The CG Code has been applicable to the Group with effect from 13 December 2019 when the shares were listed on the GEM. The Board is of the view that for the year ended 31 December 2025 and up to the date of this announcement, the Group has complied with all applicable code provisions as set out in the CG Code.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025 and up to the date of this announcement, none of the Directors, the Controlling Shareholders and the substantial shareholders of the Company or their respective close associates (as defined under the Listing Rules) had any business or interests in a business that competes or may compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person has or may have with the Group. The independent non-executive Directors confirmed that the internal control measures in relation to managing actual or potential conflict of interest of the Group have been properly implemented.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Group has adopted a Code of Ethics and Securities Transactions on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as a code of conduct of the Group for Directors’ securities transactions. Having made specific enquiries with the Directors, all of the Directors have confirmed that they have complied with the requirements of the Model Code during the year ended 31 December 2025.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Group in respect of securities in the Group as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Model Code by the Group’s relevant employees was identified during the year ended 31 December 2025 after making reasonable enquiry.

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 listed securities of the Company during the year ended 31 December 2025.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”) pursuant to the written resolutions of the sole shareholder passed on 25 November 2019. The condition of which has been fulfilled. The Share Option Scheme shall be valid and effective for the period of ten years commencing on 13 December 2019, being the date on which the Share Option Scheme was adopted upon fulfillment of the condition.

As at the date of this announcement, there is remaining life of over four years of the Share Option Scheme.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, there is sufficient public float of not less than 25% of the Company's issued share as required under the Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS OF SHARES

To be eligible to attend and vote in the forthcoming annual general meeting, the register of members of the Company will be closed from Friday, 22 May 2026 to Friday, 29 May 2026 (both dates inclusive) during which period no transfer of Shares will be registered. To be qualified for attending and voting at the forthcoming annual general meeting, all Share transfer documents must be lodged with Boardroom Share Registrars (HK) Limited, the Company's share registrar in Hong Kong, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 21 May 2026.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee consists of four members, namely, Mr. Tso Ping Cheong Brian, Ms. Chiao Siu Ling, Mr. Kwong Che Sing and Mr. Ling Siu Tsang. Mr. Tso Ping Cheong Brian is the chairman of the audit committee. The annual results of the Group for the year ended 31 December 2025 have been reviewed by the audit committee of the Company and opined that the applicable accounting standard and requirements have been complied with and adequate disclosures have been made.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Company's auditor, Grant Thornton Hong Kong Limited ("**Grant Thornton**"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Grant Thornton in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Grant Thornton on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE AND DESPATCH OF ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.maxicity.com.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched to the shareholders and will be published on the websites of both the Stock Exchange and the Company in due course.

NOTE OF APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to the Group's shareholders, customers, subcontractors, suppliers and business partners for their continuous support, and to the Group's management and staff members for their diligence, dedication and contribution to the growth of the Group.

By order of the Board
Maxicity Holdings Limited
Sieh Shing Kee
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the Board comprises Mr. Sieh Shing Kee (chairman of the Board) and Mr. Ho Ka Ki (chief executive officer) as the executive Directors and Ms. Chiao Siu Ling, Mr. Kwong Che Sing, Mr. Ling Siu Tsang and Mr. Tso Ping Cheong Brian as the independent non-executive Directors.