

# TLMC

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 REPORT  
2025-2026

RESULTS FOR THE SIX MONTHS  
ENDED 31 JANUARY 2026

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. CHOW Luen Fat (*Chairman and Chief Executive Officer*)

Ms. LIU Shuk Yee

Ms. NG Wai Ying

#### Non-executive Director

Ms. CHENG Ju Wen

#### Independent Non-executive Directors

Sir KWOK Siu Man KR

Mr. LAW Tze Lun

Dr. WONG Man Hin Raymond

### COMPANY SECRETARY

Ms. NG Wai Ying

### AUTHORISED REPRESENTATIVES

Mr. CHOW Luen Fat

Ms. NG Wai Ying

### BOARD COMMITTEES

#### Audit Committee

Mr. LAW Tze Lun (*Chairman*)

Sir KWOK Siu Man KR

Dr. WONG Man Hin Raymond

#### Remuneration Committee

Dr. WONG Man Hin Raymond  
(*Chairman*)

Sir KWOK Siu Man KR

Mr. LAW Tze Lun

#### Nomination Committee

Sir KWOK Siu Man KR (*Chairman*)

Mr. LAW Tze Lun

Dr. WONG Man Hin Raymond

Ms. NG Wai Ying

### REGISTERED OFFICE

Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman KY1-1111,  
Cayman Islands

### LEGAL ADVISER

As to Hong Kong Law  
Loeb & Loeb LLP

### HEADQUARTERS AND

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

D.D. 111, Lot No. 117,  
Sheung Che Village,  
Pat Heung,  
Yuen Long,  
New Territories,  
Hong Kong

### PRINCIPAL BANKERS

Hang Seng Bank Limited  
The Hongkong and Shanghai Banking  
Corporation Limited

### INDEPENDENT AUDITOR

RSM Hong Kong  
*Certified Public Accountants and  
Registered Public Interest Entity Auditor*

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square,  
Hutchins Drive,  
P.O. Box 2681,  
Grand Cayman KY1-1111,  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong

### STOCK CODE

2102

### COMPANY'S WEBSITE

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### COMMUNICATION

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## FINANCIAL HIGHLIGHTS

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 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.

- 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.

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

For the six months ended 31 January 2026

|   | Note | Six months ended     |                      |
|---|------|----------------------|----------------------|
|   |      | 2026                 | 2025                 |
|   |      | HK\$'000             | HK\$'000             |
|   |      | (unaudited)          | (unaudited)          |
| <b>Revenue</b>  | 3    | <b>149,393</b>       | 151,466              |
| Cost of revenue   |      | <u>(118,194)</u>     | <u>(113,955)</u>     |
| <b>Gross profit</b>   |      | <b>31,199</b>        | 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>      |
| <b>Profit from operations</b>   |      | <b>15,897</b>        | 16,961               |
| Finance costs   |      | <u>(53)</u>          | <u>(106)</u>         |
| <b>Profit before tax</b>  |      | <b>15,844</b>        | 16,855               |
| Income tax expense  | 5    | <u>(2,431)</u>       | <u>(2,854)</u>       |
| <b>Profit and total comprehensive income for the period attributable to owners of the Company</b> | 6    | <b><u>13,413</u></b> | <b><u>14,001</u></b> |
| <b>Earnings per share</b>   |      |                      |                      |
| – Basic and diluted (HK cents per share)  | 8    | <b><u>1.34</u></b>   | <b><u>1.40</u></b>   |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 January 2026

|  | Note | At 31 January<br>2026<br>HK\$'000<br>(unaudited) | At 31 July<br>2025<br>HK\$'000<br>(audited) |
|--|------|--|---|
| <b>Non-current assets</b>                    |      |  |   |
| Property, plant and equipment                | 9    | 134,127  | 144,693                                     |
| Right-of-use assets                          |      | 16,785   | 17,876                                      |
| Investment property                          |      | 12,694   | 13,000                                      |
|  |      | <u>163,606</u>                                   | <u>175,569</u>                              |
| <b>Current assets</b>                        |      |  |   |
| 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                                     |
|  |      | <u>315,222</u>                                   | <u>315,295</u>                              |
| <b>Current liabilities</b>                   |      |  |   |
| 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                                       |
|  |      | <u>22,459</u>                                    | <u>25,801</u>                               |
| <b>Net current assets</b>                    |      | <u>292,763</u>                                   | <u>289,494</u>                              |
| <b>Total assets less current liabilities</b> |      | <u>456,369</u>                                   | <u>465,063</u>                              |
| <b>Non-current liabilities</b>               |      |  |   |
| Lease liabilities                            |      | 133  | 918   |
| Deferred tax liabilities                     |      | 19,870   | 21,192                                      |
| Provision                                    |      | 1,011  | 1,011                                       |
|  |      | <u>21,014</u>                                    | <u>23,121</u>                               |
| <b>NET ASSETS</b>                            |      | <u>435,355</u>                                   | <u>441,942</u>                              |
| <b>Capital and reserves</b>                  |      |  |   |
| Share capital                                | 12   | 10,000   | 10,000                                      |
| Reserves                                     |      | 425,355  | 431,942                                     |
| <b>TOTAL EQUITY</b>                          |      | <u>435,355</u>                                   | <u>441,942</u>                              |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2026

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

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2026

|  | Six months ended<br>31 January  |                                 |
|--|---------------------------------|---------------------------------|
|  | 2026<br>HK\$'000<br>(unaudited) | 2025<br>HK\$'000<br>(unaudited) |
| <b>Net cash generated from operating activities</b>  | <b>38,457</b>                   | 50,135                          |
| <b>Investing activities</b>  |                                 |                                 |
| Purchases of property, plant and equipment   | (199)                           | (318)                           |
| Proceeds from disposal of property, plant and equipment                                      | 70                              | –                               |
| Interest received  | 899                             | 481                             |
| <b>Net cash generated from investing activities</b>  | <b>770</b>                      | 163                             |
| <b>Financing activities</b>  |                                 |                                 |
| Dividends paid   | (20,000)                        | (15,000)                        |
| Repayment of lease liabilities   | (745)                           | (2,350)                         |
| <b>Net cash used in financing activities</b>   | <b>(20,745)</b>                 | (17,350)                        |
| <b>Effect of foreign exchange rate changes</b>   | <b>804</b>                      | (850)                           |
| <b>Net increase in cash and cash equivalents</b>   | <b>19,286</b>                   | 32,098                          |
| Cash and cash equivalents at beginning of the period   | 118,515                         | 73,765                          |
| <b>Cash and cash equivalents at end of the period, represented by bank and cash balances</b> | <b>137,801</b>                  | 105,863                         |

## 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 “**Stock Exchange**” and the “**Listing Rules**”, respectively).

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<br>31 January  |                                 |
|---|---------------------------------|---------------------------------|
|   | 2026<br>HK\$'000<br>(unaudited) | 2025<br>HK\$'000<br>(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                           |
| Revenue from contracts with customers                       | 108,690                         | 103,370                         |
| Lease of heavy equipment                                    | 40,703                          | 48,096                          |
| <b>Total revenue</b>  | <b>149,393</b>                  | <b>151,466</b>                  |

#### 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.

## (i) Information about reportable segment profit or loss:

|   | Sales of heavy equipment and spare parts<br>HK\$'000<br>(unaudited) | Lease of heavy equipment<br>HK\$'000<br>(unaudited) | Provision of repair, logistics and other ancillary services<br>HK\$'000<br>(unaudited) | Unallocated<br>HK\$'000<br>(unaudited) | Total<br>HK\$'000<br>(unaudited) |
|---|---|---|--|--|----------------------------------|
| <b>For the six months ended 31 January 2026</b> |   |   |  |  |                                  |
| 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                                 | 92,274  | -   | 6,026  | -                                      | 98,300                           |
| Over time                                       | -   | 10,041  | 349  | -                                      | 10,390                           |
| 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                        | -   | 40,703  | -  | -                                      | 40,703                           |
|   | <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>                    |
| <b>For the six months ended 31 January 2025</b> |   |   |  |  |                                  |
| 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                                 | 88,777  | -   | 5,125  | -                                      | 93,902                           |
| Over time                                       | -   | 9,468   | -  | -                                      | 9,468                            |
| 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                        | -   | 48,096  | -  | -                                      | 48,096                           |
|   | <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<br>31 January  |                                 |
|--|---------------------------------|---------------------------------|
|  | 2026<br>HK\$'000<br>(unaudited) | 2025<br>HK\$'000<br>(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<br>31 January  |                                 |
|--|---------------------------------|---------------------------------|
|  | 2026<br>HK\$'000<br>(unaudited) | 2025<br>HK\$'000<br>(unaudited) |
| <b>Current tax – Hong Kong Profits Tax</b> |                                 |                                 |
| Provision for the period                   | 3,755                           | 3,668                           |
| Over-provision in prior year               | (2)                             | (6)                             |
|  | <u>3,753</u>                    | <u>3,662</u>                    |
| <b>Deferred tax</b>                        | <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<br>31 January   |                                  |
|---|----------------------------------|----------------------------------|
|   | 2026<br>HK\$ '000<br>(unaudited) | 2025<br>HK\$ '000<br>(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<br>31 January  |                                 |
|--|---------------------------------|---------------------------------|
|  | 2026<br>HK\$'000<br>(unaudited) | 2025<br>HK\$'000<br>(unaudited) |
| <b>Dividend paid</b>   |                                 |                                 |
| 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>                   |
| <b>Dividend declared</b>   |                                 |                                 |
| Interim dividend of HK1.5 cents per ordinary share (six months ended 31 January 2025: HK1.5 cents) | <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<br>31 January  |                                 |
|---|---------------------------------|---------------------------------|
|   | 2026<br>HK\$'000<br>(unaudited) | 2025<br>HK\$'000<br>(unaudited) |
| <b>Earnings:</b>  |                                 |                                 |
| Profit attributable to owners of the Company  | <u>13,413</u>                   | <u>14,001</u>                   |
|   | '000                            | '000                            |
| <b>Number of shares:</b>  |                                 |                                 |
| 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<br>2026<br>HK\$'000<br>(unaudited) | At 31 July<br>2025<br>HK\$'000<br>(audited) |
|--|--|---|
| Trade and lease receivables                | 66,337   | 62,673                                      |
| Less: Allowance for expected credit losses | (2,596)  | (3,907)                                     |
|  | <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<br>2026<br>HK\$'000<br>(unaudited) | At 31 July<br>2025<br>HK\$'000<br>(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   | 897  | 95  |
|                 | <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<br>2026<br><i>HK\$'000</i><br>(unaudited) | At 31 July<br>2025<br><i>HK\$'000</i><br>(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<br>shares   | Amount<br><i>HK\$'000</i> |
|---|-----------------------|---------------------------|
| <b>Authorised:</b>  |                       |                           |
| Ordinary shares of HK\$0.01 each  |                       |                           |
| At 31 July 2024, 31 July 2025, 1 August 2025<br>and 31 January 2026 (unaudited) | <u>10,000,000,000</u> | <u>100,000</u>            |
| <b>Issued and fully paid:</b>   |                       |                           |
| Ordinary shares of HK\$0.01 each  |                       |                           |
| At 31 July 2024, 31 July 2025, 1 August 2025<br>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<br>one year<br><i>HK\$ '000</i> | In the<br>second year<br><i>HK\$ '000</i> | In the<br>third year<br><i>HK\$ '000</i> | Total<br><i>HK\$ '000</i> |
|---------------------------------------|--|---|--|---------------------------|
| <b>At 31 January 2026 (unaudited)</b> |  |   |  |                           |
| Lease machineries                     | <u>7,030</u>                           | <u>64</u>                                 | <u>-</u>                                 | <u>7,094</u>              |
| <b>At 31 July 2025 (audited)</b>      |  |   |  |                           |
| Lease machineries                     | <u>12,330</u>                          | <u>190</u>                                | <u>6</u>                                 | <u>12,526</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 AND OTHER INFORMATION

### 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.

## INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 January 2026, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”), which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “Model Code”), were set out as follows:

### Interests in the Company

*Long position in the ordinary shares of the Company (the “Shares”)*

| Directors                      | Nature of interest                                   | Number of Shares held | Percentage of the Company's issued Shares |
|--------------------------------|--|-----------------------|---|
| Mr. Chow                       | Interest in a controlled corporation ( <i>Note</i> ) | 750,000,000           | 75%                                       |
| Ms. Cheng Ju Wen (“Ms. Cheng”) | Interest in a controlled corporation ( <i>Note</i> ) | 750,000,000           | 75%                                       |

*Note:* These Shares are held by Generous Way Limited (“Generous Way”), which is beneficially owned as to 50% by Mr. Chow, the chairman of the Board, the chief executive officer of the Company and an executive Director and 50% by Ms. Cheng, the non-executive Director. Mr. Chow and Ms. Cheng are spouses. Under the SFO, each of Mr. Chow and Ms. Cheng is deemed to be interested in the same number of Shares held by Generous Way.

**Interests in associated corporation of the Company***Long position in the ordinary shares of an associated corporation*

| Directors | Name of associated corporation | Nature of interest | Number of ordinary shares held | Percentage of issued ordinary shares |
|-----------|--------------------------------|--------------------|--------------------------------|--------------------------------------|
| Mr. Chow  | Generous Way                   | Beneficial owner   | 50                             | 50%                                  |
| Ms. Cheng | Generous Way                   | Beneficial owner   | 50                             | 50%                                  |

Save as disclosed above, as at 31 January 2026, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**INTERESTS OF SUBSTANTIAL SHAREHOLDER**

As at 31 January 2026, so far as the Directors were aware, the following entity (other than the Directors and the chief executive of the Company) had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

*Long position in the Shares*

| Name of shareholder | Nature of interest | Number of Shares held | Percentage of the Company's issued Shares |
|---------------------|--------------------|-----------------------|---|
| Generous Way        | Beneficial owner   | 750,000,000           | 75%                                       |

Save as disclosed above, as at 31 January 2026, the Directors were not aware of any persons who or entities which had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### **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 report. 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 report. 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 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 report.

### 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