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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

Financial Highlights

	For the six months ended 30 June	
	2026	2025
	HK$'M	*HK$'M*
Revenue	**3,036.6**	2,874.2
Gross profit	**387.8**	484.3
Profit attributable to owners of the Company	**152.0**	80.8
Basic earnings per share	**HK$0.11**	HK$0.06

The Board has resolved to pay an interim dividend of HK4.9 cents per share for the six months ended 30 June 2026[i].

(i) The interim dividend for the six months ended 30 June 2026 of HK4.9 cents per share, amounting to approximately HK$68.5 million in aggregate.

RESULTS

The board of directors (the "Board") of Analogue Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	NOTES	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**3,036,639**	2,874,220
Cost of sales and services		**(2,648,869)**	(2,389,963)
Gross profit		**387,770**	484,257
Other income		**9,671**	8,683
Other gains and losses	*4*	**113,190**	(295)
Impairment losses under expected credit loss model, net of reversal	*12*	**(1,733)**	(321)
Selling and distribution expenses		**(485)**	(327)
Administrative expenses		**(314,822)**	(365,280)
Share of results of associates		**(19,689)**	(14,431)
Finance costs	*5*	**(4,967)**	(11,898)
Profit before tax		**168,935**	100,388
Income tax expense	*6*	**(18,260)**	(21,102)
Profit for the period	*7*	**150,675**	79,286
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising from translation of foreign operations		**21,447**	16,112
Reclassification of cumulative translation reserve upon disposal of interest in an associate		**1,549**	–
Other comprehensive income for the period, net of tax		**22,996**	16,112
Total comprehensive income for the period		**173,671**	95,398

	NOTE	Six months ended 30 June **2026** ***HK$'000*** **(Unaudited)**	 2025 *HK$'000* (Unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		**152,030**	80,811
Non-controlling interests		**(1,355)**	(1,525)
		150,675	79,286
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**174,955**	96,874
Non-controlling interests		**(1,284)**	(1,476)
		173,671	95,398
		HK cents	*HK cents*
Earnings per share			
Basic	*9*	**11**	6
Diluted	*9*	**11**	6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	NOTES	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Non-current assets			
Investment properties		**–**	15,200
Property, plant and equipment		**881,546**	871,007
Right-of-use assets		**50,288**	49,750
Intangible assets		**–**	–
Interests in associates	*10*	**401,929**	459,827
Deposits		**5,655**	23,603
Deferred tax assets		**24,998**	25,774
		1,364,416	1,445,161
Current assets			
Assets classified as held for sale		**15,200**	15,800
Inventories		**99,976**	86,996
Contract assets	*11*	**1,465,456**	1,415,878
Trade receivables	*12*	**920,963**	1,022,510
Other receivables, deposits and prepayments		**121,939**	124,016
Amount due from an associate		**–**	–
Amounts due from partners of joint operations		**3,290**	5,031
Derivative financial instruments		**–**	183
Tax recoverable		**2,639**	11,088
Pledged bank deposits		**6,698**	17,106
Bank balances and cash		**1,214,051**	1,020,849
		3,850,212	3,719,457
Current liabilities			
Trade and retention payables	*13*	**646,609**	712,138
Other payables and accrued expenses	*14*	**1,659,294**	1,661,181
Contract liabilities		**116,460**	128,099
Amounts due to partners of joint operations		**7,990**	21,198
Bank borrowing – due within one year		**14,625**	14,625
Derivative financial instruments		**122**	–
Lease liabilities		**23,826**	23,487
Tax payable		**20,247**	10,967
		2,489,173	2,571,695
Net current assets		**1,361,039**	1,147,762
Total assets less current liabilities		**2,725,455**	2,592,923

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Capital and reserves		
Share capital	**14,000**	14,000
Reserves	**2,442,096**	2,308,099
Equity attributable to owners of the Company	**2,456,096**	2,322,099
Non-controlling interests	**(4,233)**	(2,949)
Total equity	**2,451,863**	2,319,150
Non-current liabilities		
Long service payment obligation	**12,192**	11,725
Bank borrowing – due after one year	**212,063**	219,375
Lease liabilities	**25,634**	25,359
Deferred tax liabilities	**22,751**	16,227
Deferred income	**952**	1,087
	273,592	273,773
	2,725,455	2,592,923

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Analogue Holdings Limited (the "Company") and its subsidiaries (together, the "Group") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

(i) Disaggregation of revenue from contracts with customers

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition and category of revenue		
Recognised over time and long-term contracts		
Contracting work	**2,429,730**	2,208,154
Maintenance work	**569,272**	616,872
	2,999,002	2,825,026
Recognised at a point in time and short-term contracts		
Sales of goods	**37,637**	49,194
	3,036,639	2,874,220
Geographical information		
Hong Kong	**2,777,029**	2,644,186
Macau	**123,470**	83,391
Chinese Mainland	**62,977**	68,220
United Kingdom ("UK")	**71,839**	74,496
United States of America ("USA")	**330**	356
Others	**994**	3,571
	3,036,639	2,874,220

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of the respective reporting period are as follows:

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contracting work	**14,330,280**	15,047,259
Maintenance work	**3,130,364**	2,697,175
Sales of goods	**188,667**	134,277
	17,649,311	17,878,711

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

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

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

Reconciliation of segment revenue

For the six months ended 30 June 2026 (Unaudited)

	Building services *HK$'000*	**Environmental engineering** *HK$'000*	**ICBT** *HK$'000*	**Lifts and escalators** *HK$'000*	**Total** *HK$'000*
Revenue					
– Contracting work	**1,467,882**	**636,529**	**199,982**	**125,337**	**2,429,730**
– Maintenance work	**181,347**	**179,892**	**80,827**	**127,206**	**569,272**
– Sales of goods	**361**	**23,813**	**10,098**	**3,365**	**37,637**
Total revenue	**1,649,590**	**840,234**	**290,907**	**255,908**	**3,036,639**

For the six months ended 30 June 2025 (Unaudited)

	Building services *HK$'000*	Environmental engineering *HK$'000*	ICBT *HK$'000*	Lifts and escalators *HK$'000*	Total *HK$'000*
Revenue					
– Contracting work	1,363,469	478,928	213,090	152,667	2,208,154
– Maintenance work	201,153	203,441	81,645	130,633	616,872
– Sales of goods	311	34,679	8,490	5,714	49,194
Total revenue	1,564,933	717,048	303,225	289,014	2,874,220

Segment revenue and results

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

For the six months ended 30 June 2026 (Unaudited)

	Building services *HK$'000*	Environmental engineering *HK$'000*	ICBT *HK$'000*	Lifts and escalators *HK$'000*	Inter-segment elimination/ unallocated *HK$'000*	Total *HK$'000*
Revenue						
– external	**1,649,590**	**840,234**	**290,907**	**255,908**	**–**	**3,036,639**
– inter-segment	**2,881**	**681**	**14,478**	**207**	**(18,247)**	**–**
Total revenue	**1,652,471**	**840,915**	**305,385**	**256,115**	**(18,247)**	**3,036,639**
Segment profit/(loss)	**26,794**	**53,749**	**23,485**	**(35,710)**	**–**	**68,318**
Gain on disposal of interest in an associate						**112,651**
Share of result of an associate						**(10,555)**
Bank interest income						**3,381**
Finance costs						**(4,967)**
Unallocated income/gains						**1,963**
Unallocated expenses/losses						**(1,856)**
Profit before tax						**168,935**
Income tax expense						**(18,260)**
Profit for the period						**150,675**
Other segment information						
Depreciation of property, plant and equipment	**964**	**1,091**	**308**	**3,621**	**21,398**	**27,382**
Depreciation of right-of-use assets	**3,720**	**5,241**	**880**	**2,433**	**1,090**	**13,364**
Impairment losses (reversed) recognised under expected credit loss model, net	**(1,252)**	**(4,037)**	**609**	**6,413**	**–**	**1,733**
(Gain) loss on disposal of property, plant and equipment	**(13)**	**–**	**–**	**–**	**4**	**(9)**
Share of results of associates	**–**	**7,400**	**–**	**1,734**	**10,555**	**19,689**
Write-down of inventories, net	**897**	**–**	**1,100**	**69**	**–**	**2,066**

For the six months ended 30 June 2025 (Unaudited)

	Building services *HK$'000*	Environmental engineering *HK$'000*	ICBT *HK$'000*	Lifts and escalators *HK$'000*	Inter-segment elimination/ unallocated *HK$'000*	Total *HK$'000*
Revenue						
– external	1,564,933	717,048	303,225	289,014	–	2,874,220
– inter-segment	2,018	–	18,437	232	(20,687)	–
Total revenue	1,566,951	717,048	321,662	289,246	(20,687)	2,874,220
Segment profit	31,984	52,538	17,764	19,797	–	122,083
Share of result of an associate						(3,000)
Bank interest income						4,719
Finance costs						(11,898)
Unallocated income/gains						9,288
Unallocated expenses/losses						(20,804)
Profit before tax						100,388
Income tax expense						(21,102)
Profit for the period						79,286
Other segment information						
Depreciation of property, plant and equipment	732	838	207	2,873	20,875	25,525
Depreciation of right-of-use assets	1,412	3,086	599	2,114	1,010	8,221
Impairment losses recognised (reversed) under expected credit loss model, net	1,461	(1,892)	(426)	857	321	321
Impairment loss on intangible assets	–	–	–	–	1,596	1,596
Loss on disposal of property, plant and equipment	–	–	–	21	–	21

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

Inter-segment revenue are charged at prevailing market rates.

Segment assets and liabilities

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

4. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Gain on disposal of interest in an associate	**112,651**	–
Deemed gain on dilution in interest in an associate	**9**	–
Gain (loss) on disposal of property, plant and equipment	**9**	(21)
Net exchange gains	**447**	8,562
Loss from change in fair value of investment properties	**–**	(7,240)
Impairment loss on intangible assets *(Note)*	**–**	(1,596)
Gain on lease remeasurement	**74**	–
	113,190	(295)

Note: For the six months ended 30 June 2025, a UK subsidiary was loss-making and its financial performance was below projections. It was assessed that the recoverable amount of intangible assets in relation to this UK subsidiary was lower than its carrying value. Therefore, an impairment loss on intangible assets of approximately HK$1,596,000 (unaudited) was recognised during the six months ended 30 June 2025.

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on bank borrowings	**3,516**	10,704
Interest on lease liabilities	**1,301**	1,089
Ancillary costs in respect of banking facilities	**150**	105
	4,967	11,898

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong	**10,410**	21,309
Macau	**594**	1,143
People's Republic of China ("PRC") Enterprise Income Tax	**–**	406
	11,004	22,858
Under(over)provision in prior years		
Hong Kong	**154**	(44)
PRC Enterprise Income Tax	**(2)**	1
UK	**–**	(317)
	152	(360)
	11,156	22,498
Deferred tax	**7,104**	(1,396)
	18,260	21,102

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

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

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% for both periods. A subsidiary of the Company is qualified as advanced technology enterprise and has obtained approval from the relevant tax authority for the applicable tax rate reduced to 15% for a period of three years up to 2027.

The Company's subsidiaries and an associate of the Group that are tax residents in the PRC are subject to the PRC dividend withholding tax at 10% when and if undistributed earnings out of profits that arose on or after 1 January 2008 are declared to be paid as dividends to its immediate holding company which is a non-PRC tax resident. According to the "Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" and Guoshuifa [2008] No. 112, where the Hong Kong resident company directly owns at least 25% of the capital of the Mainland company, 5% dividend withholding tax rate is applicable. Whereas the Hong Kong resident company directly owns less than 25% of the capital of the Mainland company, 10% dividend withholding tax rate is applicable. During the six months ended 30 June 2026, 5% and 10% withholding tax rates were used for the Company's subsidiaries and the Group's associate, respectively (six months ended 30 June 2025: 5% and 10%, respectively).

A reversal for deferred tax liabilities on dividend withholding tax of approximately HK$1,910,000 (unaudited) (six months ended 30 June 2025: HK$486,000 (unaudited)) was credited to profit or loss for the six months ended 30 June 2026. During the six months ended 30 June 2025, HK$726,000 (unaudited) withholding tax was paid by the Group (six months ended 30 June 2026: Nil (unaudited)). The above resulted in a reversal for deferred tax liabilities on dividend withholding tax of approximately HK$1,910,000 (unaudited) (six months ended 30 June 2025: HK$1,212,000 (unaudited)) credited to profit or loss for the six months ended 30 June 2026.

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Staff costs (including directors' remuneration):		
– Directors' remuneration	**16,253**	13,689
– Salaries and other benefits (excluding directors)	**695,158**	714,319
– Retirement benefit scheme contributions (excluding directors)	**33,903**	35,384
	745,314	763,392
Cost of inventories recognised as expenses (included in cost of sales and services)	**115,632**	132,439
Depreciation of property, plant and equipment	**27,382**	25,525
Depreciation of right-of-use assets	**13,364**	8,221
Write-down of inventories, net	**2,066**	833
Loss (gain) from change in fair value of derivative financial instruments	**305**	(4,514)
Rental income from investment properties	**–**	(55)
Less: direct operating expenses incurred for investment properties that generated rental income during the period	**–**	12
Less: direct operating expenses incurred for investment properties that did not generate rental income during the period	**104**	172
	104	129
Auditor's remuneration	**3,152**	2,941

8. DIVIDENDS

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
2025 second interim dividend – HK2.9 cents (2025: 2024 second interim dividend – HK2 cents) per share	**40,566**	27,977

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK4.9 cents per share amounting to approximately HK$68,543,000 in aggregate will be paid to owners of the Company whose names appear in the register of members of the Company as at the close of business on 16 September 2026.

9. 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 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**152,030**	80,811

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**1,398,840,000**	1,398,840,000

During the six months ended 30 June 2026 and 2025, the weighted average numbers of ordinary shares for the calculation of basic and diluted earnings per share have been adjusted for the effect of shares held by the trustees pursuant to the share award schemes.

During the six months ended 30 June 2026 and 2025, the earnings for the purpose of calculating diluted earnings per share have not been adjusted for any changes in the Group's share of result of an associate that was attributable to the increase in the number of ordinary shares of the associate as a result of the conversion of convertible bonds issued by the associate as it is anti-dilutive.

During the six months ended 30 June 2026 and 2025, there were no dilutive potential ordinary shares in existence.

10. INTERESTS IN ASSOCIATES

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Investment cost		
Listed outside Hong Kong *(Note)*	**74,275**	91,817
Unlisted	**240,840**	240,840
Impairment loss recognised	**(137,245)**	(137,245)
Share of post-acquisition profits and other comprehensive income, net of dividends received	**224,059**	264,415
Interests in associates	**401,929**	459,827

Note: During the six months ended 30 June 2026, the Group disposed of approximately 3% of its shareholding in Nanjing Canatal Data-Centre Environmental Tech Co., Ltd. ("NCA") at an aggregate consideration of approximately RMB154,340,000 (unaudited) (equivalent to approximately HK$176,201,000 (unaudited)). The net proceeds from the disposal amounted to approximately RMB148,901,000 (unaudited) (equivalent to approximately HK$169,991,000 (unaudited)), net of transaction cost of approximately RMB5,439,000 (unaudited) (equivalent to approximately HK$6,210,000 (unaudited)).

As a result of the disposal, the Group's interest in NCA decreased from 15.70% (audited) to 12.70% (unaudited) as at 30 June 2026, and a gain on disposal of approximately HK$112,651,000 (unaudited) was recognised for the six months ended 30 June 2026.

11. CONTRACT ASSETS

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contract assets	**1,544,503**	1,494,150
Less: allowances for credit losses	**(79,047)**	(78,272)
	1,465,456	1,415,878

As at 30 June 2026, contract assets include retention receivables of approximately HK$569,061,000 (unaudited) (31 December 2025: HK$572,709,000 (audited)). The Group generally provides their customers with one-year warranty period. Upon the expiration of retention period, the customers will provide a final inspection and acceptance certificate and pay the retention within the term specified in the contract.

Retention receivables are interest-free and repayable at the end of the retention period of the respective construction contract.

Details of the impairment assessment are set out in Note 12.

12. TRADE RECEIVABLES

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Trade receivables	**810,077**	928,403
Less: allowances for credit losses	**(110,970)**	(109,137)
	699,107	819,266
Unbilled revenue *(Note)*	**220,103**	197,988
Bills receivables	**1,753**	5,256
	920,963	1,022,510

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

As at 30 June 2026, the Group's bills receivables are of age within one year (31 December 2025: within one year).

The Group generally allows credit period ranging from 14 to 90 days. The Group assesses the credit quality of each potential customer and define rating and credit limit for each customer.

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

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
0 – 30 days	**407,358**	467,860
31 – 90 days	**179,926**	247,147
91 – 360 days	**106,384**	102,309
Over 1 year	**5,439**	1,950
	699,107	819,266

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by HKFRS 9 *Financial Instruments*, which permits the use of the lifetime ECL for trade receivables and contract assets.

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

During the six months ended 30 June 2026, the Group recognised impairment allowance of approximately HK$24,080,000 (unaudited) (six months ended 30 June 2025: HK$19,072,000 (unaudited)) and reversed impairment allowance of approximately HK$20,982,000 (unaudited) (six months ended 30 June 2025: HK$12,489,000 (unaudited)) for not credit-impaired trade receivables, based on the collective assessment. Impairment allowance of approximately HK$10,939,000 (unaudited) (six months ended 30 June 2025: HK$7,597,000 (unaudited)) was made and approximately HK$13,211,000 (unaudited) (six months ended 30 June 2025: HK$13,824,000 (unaudited)) was reversed on credit-impaired trade receivables, based on individual assessment. During the six months ended 30 June 2026, trade debtors with gross carrying amount of approximately HK$4,925,000 (unaudited) (six months ended 30 June 2025: HK$2,286,000 (unaudited)) became credit-impaired and therefore, approximately HK$4,925,000 (unaudited) (six months ended 30 June 2025: HK$2,286,000 (unaudited)) lifetime ECL was transferred from not credit-impaired to credit-impaired.

During the six months ended 30 June 2026, net impairment allowance of approximately HK$817,000 (unaudited) (six months ended 30 June 2025: HK$605,000 (unaudited)) was recognised on not credit-impaired contract assets, based on the collective assessment. Net impairment allowance of approximately HK$90,000 (unaudited) was recognised (six months ended 30 June 2025: HK$961,000 (unaudited) was reversed) on credit-impaired contract assets, based on individual assessment.

During the six months ended 30 June 2026, no (unaudited) impairment allowance (six months ended 30 June 2025: HK$321,000 (unaudited)) was recognised on other receivables which are credit-impaired.

13. TRADE AND RETENTION PAYABLES

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Trade payables	**404,520**	429,147
Trade payables (unbilled)	**66,177**	103,440
Retention payables	**175,912**	179,551
	646,609	712,138

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

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
0 – 30 days	**164,434**	194,052
31 – 90 days	**169,120**	158,083
91 – 360 days	**35,371**	35,688
Over 1 year	**35,595**	41,324
	404,520	429,147

14. OTHER PAYABLES AND ACCRUED EXPENSES

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Accrued contract costs	**1,355,306**	1,323,411
Accrued staff costs	**108,013**	143,189
Provision for litigation liabilities *(Note)*	**150,000**	150,000
Others	**45,975**	44,581
	1,659,294	1,661,181

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

15. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group are pledged to secure the bank borrowing of the Group and the general banking facilities granted to certain subsidiaries of the Company:

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
Properties	**724,181**	731,724
Investment property	**–**	15,200
Asset classified as held for sale	**–**	15,800
Bank deposits	**6,698**	17,106
Others *(Note)*	**62,906**	138,004
	793,785	917,834

Note: Included in others, there were fixed and floating charges over all assets of several wholly owned subsidiaries of the Company amounting to approximately HK$62,906,000 (unaudited) (31 December 2025: HK$71,104,000 (audited)), out of which approximately HK$58,400,000 (unaudited) (31 December 2025: HK$67,146,000 (audited)) represents the leasehold improvements, plant and equipment in ATAL. There was also an assignment of certain trade receivables of a wholly owned subsidiary of the Company of approximately HK$66,900,000 (audited) as at 31 December 2025 which was released during the six months ended 30 June 2026.

16. CONTINGENT LIABILITIES

(i) Litigation

The Group periodically faces claims, legal proceedings, and regulatory reviews arising in the normal course of business. Based on current information, the Group does not believe that the ultimate outcomes of any unresolved matters, individually or in the aggregate, are likely to have a material adverse effect on the financial position, operating results, or cash flows. Accordingly, those matters are not detailed in the disclosure.

In respect of a construction-related dispute, a judgment on certain liability issues was handed down in July 2026, further hearing scheduled in late August 2026. Having considered the judgment, legal advice received and all relevant facts currently available, the directors of the Company are of the view that sufficient provision has been made in the condensed consolidated financial statements. Liabilities are recognised when it is probable that an obligation exists and the amount can be reliably estimated. As management considers that disclosure of certain information otherwise required under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* would be expected to seriously prejudice the Group's position in the ongoing proceedings, such information has not been disclosed.

Notwithstanding the foregoing, due to the inherent uncertainties of litigation and the evolving nature of legal, regulatory and contractual matters, the ultimate outcome may differ from management's current assessment.

(ii) Performance bonds

As at 30 June 2026, the Group had outstanding performance bonds of approximately HK$491,470,000 (unaudited) (31 December 2025: HK$562,850,000 (audited)), given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contracting works.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM BUSINESS REVIEW

Overview

The Group recorded a record-high interim contracts-in-hand of HK$17,649.3 million during the six months ended 30 June 2026 ("1H2026"). This represents a significant 34.9% increase compared to the HK$13,085.0 million recorded for the same period in 2025. In 1H2026, the Group successfully secured order intake of HK$2,807.2 million by staying agile for the opportunities in our diverse business base.

Tendering was active in 1H2026 with a total of 384 tenders or quotations each valued at over HK$1 million, submitted across our four business segments: Building Services, Environmental Engineering, Information, Communications and Building Technologies ("ICBT"), and Lifts and Escalators. Many of these submitted tenders are due for determination in phases later this year.

The Group achieved an 88.1% increase in profit attributable to owners of the Company, reaching HK$152.0 million for 1H2026, compared with HK$80.8 million for the six months ended 30 June 2025 ("1H2025"). As announced on 27 April 2026, this increase was attributable partly to the disposal of approximately 3% equity stake in Nanjing Canatal Data-Centre Environmental Tech Co., Ltd. (Shanghai Stock Code: 603912) ("NCA"), an associate of the Company, which realised a gain of HK$112.7 million for the Group after deducting historical and transaction costs.

The Group still holds a 12.7% equity stake in NCA and will continue to monitor NCA based on a basket of factors, including performance, value opportunities in the market and so on, to determine our position based on the best interests of our shareholders.

If the gain from disposal of NCA is excluded, the adjusted 1H2026 profit attributable to owners of the Company is HK$39.4 million. The difference compared with HK$80.8 million in 1H2025, being 51.3%, is attributable mainly to different project phasing, and increase in estimated project costs, including labour, sub-contractor and material costs. Engineering projects often span three to four years or longer, and revenue would vary with different project phases, generally building up from project commencement as the project progresses through the project cycle. New projects scheduled to start progressively will contribute to the future profit pipeline in phases as they reach the threshold for profit recognition. Overall, the commencement and progression of the numerous projects already on hand will provide a solid foundation for the business over the next three years and beyond.

Revenue generated by the Group in 1H2026 amounted to HK$3,036.6 million, which represents an increase of 5.7% or HK$162.4 million, compared with HK$2,874.2 million in 1H2025. This top-line growth was primarily driven by steady project execution in the Building Services and Environmental Engineering segments. The gross profit was HK$387.8 million, being 12.8% of revenue, in 1H2026 (1H2025: HK$484.3 million, or 16.8% of revenue).

The Group maintained a strong cash position, with bank balances and cash totalling HK$1,214.1 million as of 30 June 2026 (31 December 2025: HK$1,020.8 million), providing financial flexibility to the working capital demands for projects on hand, taking on additional projects, future growth and capturing value opportunities in the market.

In 1H2026, the Group continued to advance in international market development, technological innovation and sustainable development.

For international market development, we continued to build our Lifts and Escalators operations in the United Kingdom ("UK"), while extending the reach of our products to Brazil, Mexico and other parts of the world. Transel Elevator & Electric Inc. ("TEI"), an associate of the Company in the United States ("US"), continued its market expansion in the southeastern part of the country. In addition, we continued to broaden our service offerings in international markets from Lifts and Escalators progressively to Environmental Engineering, Data Centre, Building Services, and ICBT services in different parts of Asia and Europe.

For technological innovation, the Group maintained our industry lead in the application of Artificial Intelligence ("AI"), Digital Twins and other innovative technologies by combining our extensive project application experience with our own research and development ("R&D"), as well as collaboration with leading universities and technology providers from around the world. This accords with the Group's strength in comprehensive advanced cross-disciplinary electrical and mechanical ("E&M") capabilities, as well as innovative technology applications for advancing smart buildings, infrastructure and cities.

Our industry-benchmark-setting technology, Multi-trade Integrated Mechanical, Electrical and Plumbing ("MiMEP"), has gained increasing traction in the market, to help enhance quality, safety as well as productivity, and reduce site time requirements, wastage and carbon emissions.

Furthermore, we integrated AI into our operations to improve overall efficiency and optimise project workflows. In a landmark testament to our technological leadership, the Group captured four prestigious accolades in both the research and adoption categories at the inaugural Construction Industry Council ("CIC") AI Award 2026, presented in the CIC Global AI and Smart Construction Conference and Exhibition (GASCCE) at Hong Kong Science Park:

- **Gold Award (AI Research and Development Category in Total Lifecycle Management):** To our branded **DigiFusion® AI Smart Building Platform** for its outstanding contributions in advancing smart building performance through AI-powered lifecycle management and digital twin technology;

- **Silver Award (AI Adoption Category in Asset Management):** To our intelligent headquarters, **ATAL Tower**, for our successful deployment of DigiFusion® AI technologies to execute sophisticated asset management, predictive maintenance and real-time energy optimisation;

- **Silver Award (AI Research and Development Category in Sustainability):** To our self-developed **AlgoWater®** solution for the innovative application of AI algorithms to drive higher efficiency and environmental friendliness in water and sewage treatment processes; and

- **Silver Award (AI Adoption Category – Building/Infrastructure Lifecycle):** To our **Mui Wo Sewage Treatment Works AlgoWater®** all-in-one AI sewage solution for the real-world operational success in boosting reliability, efficiency and cost-effectiveness, achieved through close collaboration with the Drainage Services Department (DSD).

For advancing sustainable development, ATAL Tower has not only been rejuvenated from an existing industrial building to our intelligent headquarters to increase synergy and efficiency of our teams, it has attained the Final Platinum Rating under BEAM Plus New Buildings V2.0. In addition, it has been recognised as the winner in the Existing Commercial Building Category at the American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") Hong Kong Chapter Technology Award 2026. It further went on to achieve the highest recognition as the Regional Winner at the ASHRAE Region XIII Technology Award 2026. Equipped with a comprehensive suite of advanced solutions, ATAL Tower stands as a premier benchmark for the industry and demonstrates the vast potential of sustainable development in buildings, which represent Hong Kong's most important sectors for energy optimisation. Revitalised from an industrial building, ATAL Tower also exemplifies how innovation can help transform existing infrastructure in a highly urbanised environment into a green, modern, intelligent workplace in a sustainable manner.

In 2026, the Group achieved remarkable success in both organisational and project categories in the **UNSDG Achievement Awards Hong Kong**, organised by the Green Council to recognise organisations aligning business practices with the United Nations Sustainable Development Goals ("UNSDGs"):

- **The Group was awarded the Sustainable Organisation – Gold in the Organisation category**, validating the Group's successful integration of UNSDGs via an Environmental, Social, and Governance ("ESG") framework into our daily operations and corporate culture;

- **'ATAL Tower - A Beacon of Sustainability' was named as a Recognised Project**, affirming the corporate headquarters as an exemplary model of smart, sustainable architecture and operational decarbonisation; and

- Both the **Individual SDG Award – Goal 7: Affordable and Clean Energy** and the **Criteria Award – Outstanding Impact** were awarded to the Group jointly with CLP Power Hong Kong Limited (CLP) for the 'E&M Maintenance Services at Castle Peak Power Station, and the Waste-to-Energy (WE) Station (B3)', acknowledging their immediate and lasting positive contributions toward clean energy transitions and operational reliability.

In addition to our engineering and technical capabilities, the Group upholds integrity and sincere customer-centric service to maintain our leading market position. Our commitment to business ethics and avoiding conflicts of interest is clearly set out and communicated to every employee through our Code of Conduct, reinforced through our operating procedures, and continuously enhanced through regular staff training. Quality, safety, health and environmental sustainability are also part of our core values.

By leveraging with agility our comprehensive capabilities, our Building Services, Environmental Engineering, ICBT, and Lifts and Escalators segments each have distinctive strengths.

Building Services

The Building Services segment, our largest revenue contributor, achieved record-high interim contracts-in-hand totalling approximately HK$7,996.6 million in 1H2026, 15.3% higher than the HK$6,934.0 million in 1H2025. This will provide a solid foundation for the business in the next three years and beyond.

Order intake for 1H2026 stood at HK$1,348.8 million (1H2025: HK$3,392.2 million), with active ongoing tendering activities and many of the tenders submitted in 1H2026 due for determination in phases later this year. Reflecting the record-high interim contracts-in-hand, many projects in the Northern Metropolis, including Fanling and Kwu Tung housing projects, and various hospitals were prioritised for commencement and progress in execution.

A 5.4% or HK$84.7 million increase in revenue was achieved by the Building Services segment in 1H2026, generating HK$1,649.6 million (1H2025: HK$1,564.9 million). As projects commence, they will progressively contribute to the future profit pipeline in phases as they reach the threshold for profit recognition.

We consistently apply high standards of compliance and innovation across all projects, which underpins industry recognition of the Group as Hong Kong's first E&M engineering group certified to the internationally recognised Building Information Modelling ("BIM") Standard ISO 19650-2. The Group also won the accolade of the Gold Award (BIM Organisation – BIM Department & Team – Contractor) at the HKIBIM Award 2025, organised by the Hong Kong Institute of Building Information Modelling (HKIBIM).

Building on our expertise in BIM and related technologies to maximise the value of integrated digital workflows, the segment has firmly established the competitive advantage as the leader in Design for Manufacture and Assembly ("DfMA") and MiMEP, which has continued to gain traction in the market and helped the segment secure major contracts. These advanced methodologies have been successfully implemented throughout the entire construction life cycle, from plant set-up, training and tendering to contract execution, maintenance and handover, setting new industry benchmarks and significantly enhancing quality, safety and productivity. This also shortens site time requirements, mitigates pressure on site manpower, and reduces wastage and carbon emissions, thus helping advance our ESG objectives.

Leveraging on our comprehensive interdisciplinary capacity and leadership in new engineering techniques, this segment continued to broaden our market reach and explore project opportunities in different parts of Asia.

Environmental Engineering

The Environmental Engineering segment achieved record-high interim contracts-in-hand of HK$8,164.2 million in 1H2026, 78.3% higher than in the same period last year (1H2025: HK$4,579.8 million), which will provide a solid foundation for the business in the next three years and beyond.

Order intake stood at HK$910.1 million in 1H2026 (1H2025: HK$966.4 million), with active ongoing tendering activities and many of the tenders submitted in 1H2026 due for determination in phases later this year. Reflecting the record-high interim contracts-in-hand, many projects, including a landmark engineering contract to reprovision critical sewage treatment works to caverns, were being prioritised for commencement and progress in execution.

A 17.2% or HK$123.2 million increase in revenue was achieved by the segment in 1H2026, generating HK$840.2 million (1H2025: HK$717.0 million). As projects commence, they will progressively contribute to the future profit pipeline in phases as they reach the threshold for profit recognition.

New term contracts for sewage and E&M systems were also added to our recurrent operation, maintenance and facility management services provided by the segment.

By deploying AI and Digital Twins under our industry-recognised AlgoWater® brand, the segment continued to strengthen our industry-leading position by advancing in intelligent automation, predictive asset management and real-time process optimisation that significantly enhance treatment efficiency and energy savings for industrial operations.

The Environmental Engineering segment also continued to work with leading universities to meet market needs for advanced solutions for emerging environmental challenges. In addition to positioning for opportunities arising from the Northern Metropolis, climate change and asset renewal, the segment continued to pursue project opportunities with partners in the Chinese Mainland as well as different parts in Asia and Europe.

Information, Communications and Building Technologies

The contracts-in-hand of the ICBT segment totalled HK$830.8 million in 1H2026, 3.7% lower compared with the HK$862.8 million in 1H2025. Order intake stood at HK$269.9 million for 1H2026 (1H2025: HK$206.9 million), with active ongoing tendering activities. Many projects, driven by demand for technologies, were prioritised for commencement and progress in execution.

Revenue for the ICBT segment amounted to HK$290.9 million in 1H2026, 4.1% or HK$12.3 million lower compared with the HK$303.2 million in 1H2025. This variance is attributable largely to the different timing of project cycles.

With market demand for AI and related technologies becoming a strong trend, the ICBT segment is well positioned as an early mover, backed by our own R&D capability and extensive project experience. The segment has continued to advance our innovation strategy, establishing a robust digital foundation through our Digital Plant and Centralised Management Platform (CMP), enabling real-time insights and data-driven decisions. Furthermore, the segment has integrated Internet of Things ("IoT") technologies and advanced Building Management Systems (BMS) under our acclaimed DigiFusion® AI Smart Building Platform, delivering optimised operational efficiency and enhanced tenant experiences in smart buildings and city infrastructure, as well as resource circularity for our clients.

Lifts and Escalators

The Lifts and Escalators segment had contracts-in-hand worth HK$657.7 million in 1H2026, 7.2% or HK$50.7 million lower than the HK$708.4 million in 1H2025. Order intake for the segment in 1H2026 totalled HK$278.4 million (1H2025: HK$341.0 million), along with ongoing tendering activities in different parts of the world.

Revenue from the segment in 1H2026 was HK$255.9 million (excluding TEI), representing a 11.5% or HK$33.1 million decrease from HK$289.0 million in 1H2025. This negative movement was largely attributed to rectification requirements arising from builders' works on a project. While the estimated additional labour, sub-contractor and material costs have impacted the interim performance, the Lifts and Escalators segment continued to advance in international market development and strengthen its competitive edge through operational enhancements and an expanded product range.

TEI maintained its strength as one of the largest independent lifts and escalators companies in New York, the US and continued to expand in the southeastern part of the country. While this ongoing market expansion significantly strengthens our market positioning and future growth, near-term pressure on the operating margins is expected during the investment phase.

The segment successfully enhanced our factory production lines with automated processes and enhanced quality controls, to anchor our end-to-end vertical business model — spanning custom design, manufacturing, installation, and comprehensive operations and maintenance (O&M) services. Specifically, the segment continued to develop new products to support our expanding footprint in the UK, the US and other international markets. Together, these upgrades are accelerating our delivery and next-generation product innovations, including our new Machine Room-Less (MRL) lift products and Modular Integrated Construction (MiC) methodologies, which significantly reduce on-site installation time and improve safety standards.

Innovation, Resources Management and Other Operational Initiatives

Innovation and digital transformation remain the strategic drivers for the Group's operational resilience and delivery excellence. By systematically capturing the explosive development of advanced technologies to modernise engineering workflows, we have successfully embedded digital solutions into site management, resource allocation and technical planning to create forward-looking solutions that create value for our customers and the broader community.

The Group has significantly accelerated the convergence of AI, Digital Twins and IoT across our project portfolio. Rather than treating these technologies as standalone solutions, we have integrated them into an interconnected ecosystem under our DigiFusion® AI Smart Building Platform. IoT sensors collect real-time environmental and machinery data on-site, which is instantly visualised on our advanced Digital Twin platforms. AI algorithms then process and integrate this data to provide intelligence and predictive insights, allowing the project and operating teams to execute real-time energy optimisation, anticipate maintenance needs and simulate operational scenarios before execution.

In addition, through a series of training initiatives based on Capability Maturity Model Integration ("CMMI") to enhance engineering discipline and process maturity for mitigating possible risks in software development, the Group has successfully achieved CMMI Maturity Level 3 certification for software development. This has allowed us to validate that our development processes are robust, consistently executed and continuously improved, ensuring reliable, high-quality outcomes in the engineering project environment.

Meanwhile, the Group's Smart Data Automation (SDA) AlgoWater® solutions continue to deliver advanced operational benefits to customers managing water treatment plants and sewage facilities, improving efficiency, stability and asset durability.

Our BIM workflows serve as the single source of truth for both engineering design and coordination. In the planning phase, we combine BIM with advanced 3D Scanning Tools to capture highly accurate site dimensions and eliminate design clashes before fabrication. This advanced BIM framework acts as the vital foundation for our industry-leading DfMA and MiMEP initiatives, enabling complex E&M modules to be precisely manufactured off-site and seamlessly assembled on-site, to improve quality, safety, productivity, speed of on-site delivery, resource utilisation and ESG performance.

To ensure data confidentiality, the Group implemented an information security management system certified under ISO 27001 and formalised the Information Security Policy and Security Manual, which sets out the security standards for all staff. Mandatory cybersecurity training has also been offered to all Hong Kong employees. In addition, there are ongoing awareness programmes and regular targeted cybersecurity reminders to reinforce staff vigilance and readiness for mitigating potential cybersecurity issues.

The Group has taken proactive steps to establish an AI policy, to guide the responsible use of AI. We have also developed the ATAL Retrieval-Augmented Generative AI App which integrates multiple AI models and built-in tools, to increase employee productivity while aligning with the Group's cybersecurity standards.

The Environmental Engineering segment continued to work with leading universities on advanced solutions for emerging issues while the Lifts and Escalators segment continued to enhance its vertically integrated business model in different parts of the world and develop new products that support our expanding footprint in the UK, the US and other international markets.

In addition, the new Enterprise Resource Planning (ERP) and Enterprise Performance Management (ERM) platform went into production after completion of testing within 1H2026.

Overall, our unwavering commitment to R&D and co-creation with leading universities, technology providers and customers around the world continue to strengthen our innovative capabilities in AI, digital solutions as well as other critical areas, underpinning our comprehensive engineering capability. Our integrated capabilities are continuously refined with input from our customers and other stakeholders and are stress-tested at our ATAL Design, Research & Training Centre.

We are the leading provider of E&M engineering services and ICBT solutions in Hong Kong, which is a hub of integrated engineering technologies aligned with international standards. Our numerous iconic projects have been proven in one of the world's most demanding urban environments. With our international market reach, we are able to work with partners to explore emerging demands in different parts of Asia and Europe for transformative engineering solutions, and for smart buildings, infrastructure and cities. Leveraging these strengths, we are working to integrate Hong Kong's innovations with the robust supply chain and operational scale available in the Chinese Mainland, ensuring our professionals remain agile, competitive and technically outstanding as we lead the industry's technological transformation to contribute to our customers and the communities we serve.

FINANCIAL REVIEW

In 1H2026, the Group's revenue was HK$3,036.6 million, which was HK$162.4 million or 5.7% higher than 1H2025, and such increase is mainly attributable to the Environmental Engineering and Building Services segment. Gross profit for 1H2026 was HK$387.8 million, which was HK$96.5 million or 19.9% lower than 1H2025. The gross profit margin of 12.8% for 1H2026 was 4.0 percentage points lower than 16.8% for 1H2025, and the decrease in margin was mainly in Lifts and Escalators segment.

The Group's profit attributable to owners of the Company was HK$152.0 million for 1H2026, representing a year-on-year increase of 88.1% when compared with HK$80.8 million for 1H2025.

However, as disclosed above, when compared to the profit attributable to owners of the Company of HK$80.8 million for 1H2025, the adjusted profit attributable to owners of the Company for 1H2026 in the amount of HK$39.4 million, was 51.3% lower year-on-year after excluding the gain on disposal of interest in an associate. The decrease in adjusted profit attributable to owners of the Company is mainly due to increase in estimated project costs, including labour, sub-contractor and material costs, and different project phasing.

The Group maintained a strong cash position and sufficient committed banking facilities to finance our growth and development. The Group's bank balance and cash amounted to HK$1,214.1 million as of 30 June 2026 (31 December 2025: HK$1,020.8 million). As at 30 June 2026, the Group's bank borrowing was at HK$226.7 million (31 December 2025: HK$234.0 million) which represented outstanding balance of mortgage loan for the purchase of ATAL Tower.

Non-Generally Accepted Accounting Principles ("GAAP") Financial Measures

To supplement the Group's condensed consolidated results prepared in accordance with HKFRS Accounting Standards, a non-GAAP financial measure, namely profit attributable to owners of the Company excluding gain on disposal of interest in an associate is presented. The Company's management believes that the non-GAAP financial measure provides investors with a more meaningful view of the Group's financial results. However, there are limitations to the use of this non-GAAP financial measure as an analytical tool. Non-GAAP financial measure should be viewed as supplement to, and not a substitute for, analysis of the Company's financial performance prepared in accordance with HKFRS Accounting Standards.

Revenue

In 1H2026, the Group reported a total revenue of HK$3,036.6 million, representing an increase of HK$162.4 million or 5.7% compared to 1H2025. The increase in revenue in the Environmental Engineering and Building Services segment was HK$123.2 million and HK$84.7 million partly offset by lower revenue in Lifts and Escalators segment.

Gross Profit

Gross profit amounted to HK$387.8 million for 1H2026, decreased by HK$96.5 million (1H2025: HK$484.3 million). Gross profit margin for 1H2026 is 12.8% (1H2025: 16.8%) representing 4.0 percentage points lower than 1H2025 mainly in Lifts and Escalators segment. The negative movement in Lifts and Escalators segment was largely attributed to rectification requirements arising from builders' works of a project, increase in estimated project costs, including labour, sub-contractor and material costs, and different project phasing.

Other Income

The Group's other income for 1H2026 was HK$9.7 million (1H2025: HK$8.7 million), mainly comprising bank interest income and government subsidies.

Other Gains and Losses

The Group recorded a net gain of HK$113.2 million for 1H2026 (1H2025: net loss of HK$0.3 million), which mainly included the gain on disposal of interest in an associate of HK$112.7 million (1H2025: Nil). In 1H2026, the Group has disposed approximately 3% shareholding in NCA, an associate of the Company in the Chinese Mainland, and recognised the gain on disposal of HK$112.7 million.

In 1H2025, the Group recognised a fair value loss on investment properties amounting to HK$7.2 million and an impairment loss of HK$1.6 million on intangible asset of a UK subsidiary, the effect of these two factors was largely offset by a net exchange gain of HK$8.6 million arising from revaluation of foreign currency balances, mainly denominated in British Pound and Renminbi ("RMB").

Administrative Expenses

The Group's administrative expenses decreased by HK$50.5 million or 13.8% to HK$314.8 million for 1H2026 (1H2025: HK$365.3 million). Gross total staff costs in 1H2026 were HK$745.3 million, slightly below 1H2025 (HK$763.4 million). In 1H2026, more staff costs were charged to projects which were included in costs of sales and services. As a result, staff costs included in administrative expenses were HK$56.4 million lower year-on-year.

Share of Results of Associates

The Group's share of loss from associates for 1H2026 was HK$19.7 million (1H2025: HK$14.4 million) which is mainly due to higher loss of an associate of the Company in the Chinese Mainland on lower gross profit margin and impairment loss on assets, our share of its loss increase from HK$3.0 million to HK$10.6 million.

Liquidity and Financial Resources

The Group's finance and treasury functions have been centrally managed and controlled at the headquarters in Hong Kong. The Group maintained a healthy liquidity position throughout 1H2026.

As at 30 June 2026, the Group's total cash and bank balances (excluding pledged bank deposits) amounted to HK$1,214.1 million (31 December 2025: HK$1,020.8 million), of which 69.2%, 26.3%, 2.4% and 2.1% (31 December 2025: 79.2%, 16.7%, 1.8%, and 2.3%) were denominated in Hong Kong dollars ("HKD") or Macau Pataca, RMB, US dollars, and other currencies, respectively.

As of 30 June 2026, the Group had bank borrowing amounting to HK$226.7 million, compared to HK$234.0 million as of 31 December 2025, which is a mortgage loan denominated in HKD relating to ATAL Tower and interest-bearing at floating interest rate. The mortgage loan is scheduled to be repaid by the end of year 2041.

In addition, as at 30 June 2026, the Group had banking facilities in the form of bonds, bank overdraft and loans, and trade financing of approximately HK$2,177.0 million (31 December 2025: HK$2,406.0 million), of which approximately HK$722.0 million had been utilised (31 December 2025: HK$855.3 million).

Foreign Exchange Risk

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

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

Use of Proceeds from the Listing of the Company's Shares

The total net proceeds raised by the Company pursuant to the listing of the shares in the Company's global offering in 2019 amounted to approximately HK$335.7 million (the "Net Proceeds"). As at 30 June 2026, the Group had utilised approximately HK$275.9 million of the Net Proceeds.

As disclosed in the Company's annual report for the year ended 31 December 2025, the Net Proceeds were not fully utilised in the year ended 31 December 2025 and the unutilised Net Proceeds as at 31 December 2025 was approximately HK$59.8 million, all of which are intended to be used for the acquisition of or investment in companies and have not been used in 1H2026.

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

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

The following table sets forth the original allocation of the Net Proceeds and the revised allocation as of 31 October 2020. No Net Proceeds were utilised in 1H2026:

	Original allocation of Net Proceeds *HK$'M*	Utilised amount of Net Proceeds up to 31 October 2020 *HK$'M*	Revised allocation of the unutilised Net Proceeds as at 31 October 2020 *HK$'M*	Utilised amount of Net Proceeds from 1 November 2020 to 31 December 2025 *HK$'M*	Unutilised amount of Net Proceeds as at 31 December 2025 *HK$'M*	Utilised amount of Net Proceeds from 1 January 2026 to 30 June 2026 *HK$'M*	Unutilised amount of Net Proceeds as at 30 June 2026 *HK$'M*
Supporting the expansion and development of building services segment	67.1	34.6	42.4	42.4	–	–	–
Enhancing engineering capabilities in environmental engineering segment							
– Acquisition of, investment in, cooperating or forming joint ventures	59.3	17.1	5.6	5.6	–	–	–
– Support the expansion and development of environmental engineering segment, including project working capital needs and additional investment in development of advanced environmental process technologies	41.4	0.5	40.9	40.9	–	–	–
Enhancing engineering capabilities of ICBT segment							
– Setting up dedicated research and development teams	19.3	6.0	13.3	13.3	–	–	–
– Acquisition of, or investment in, companies which possess innovative technology	47.8	–	–	–	–	–	–
Expansion and development of lifts and escalators segment							
– Expanding existing manufacturing facilities and construction of a new production plant	54.1	–	–	–	–	–	–
– Setting up export sales office and sales and service centres in the Chinese Mainland	13.0	–	–	–	–	–	–
– Expanding existing manufacturing facilities	–	–	67.1	67.1	–	–	–
Acquisition of, or investment in, companies	–	–	68.0	8.2	59.8	–	59.8
General working capital	33.7	31.8	8.4	8.4	–	–	–
Total	335.7	90.0	245.7	185.9	59.8	–	59.8

Future Plans For Material Investments or Capital Assets

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

Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

In 1H2026, the Group disposed of approximately 3% of its shareholding in NCA, through the open market bidding method and the block-trading method in a series of transactions at an aggregate consideration of approximately RMB154.3 million (equivalent to approximately HK$176.2 million), excluding transaction costs. For details, please refer to the Company's announcements dated 8 April 2026, 20 April 2026 and 27 April 2026.

Saved as disclosed in this announcement, the Group did not make any material acquisitions or disposals of subsidiaries, associates, and joint ventures in 1H2026.

Gearing Ratio and Indebtedness

As at 30 June 2026, the gearing ratio of the Group (being gross bank borrowing divided by total equity attributable to owners of the Company) reduced to 9.2% (31 December 2025: 10.1%) mainly due to mortgage loan payment of ATAL Tower.

Charges on Group Assets

The Group had pledged assets as security for general short-term banking facilities and the mortgage loan of ATAL Tower totalling HK$793.8 million as at 30 June 2026 (31 December 2025: HK$917.8 million) which reduced by HK$124.0 million from end of December 2025. Certain secured bank loan facilities are considered not needed and thus no renewal at end of June 2026. Other than this, disposal of the investment property in 1H2026 also result in reduction in the Group's charges on group assets. Part of the bank deposits were denominated in RMB.

Capital Commitments

As at 30 June 2026, the Group had capital commitments of HK$0.7 million contracted but not provided for the condensed consolidated financial statements which is mainly related to expansion of the existing lift and escalator manufacturing facilities in Nanjing (31 December 2025: HK$11.9 million).

Contingent Liabilities

Save as disclosed in note 16 to the condensed consolidated financial statements contained in this announcement, the Group did not have any other material contingent liabilities as at 30 June 2026.

Events after Reporting Period

Save as disclosed in this announcement, no major subsequent events have occurred since the end of 1H2026 and up to the date of this announcement that requires disclosure.

Human Resources

As at 30 June 2026, the Group employed 3,219 staff (including short-term staff) across Hong Kong, Macau, the Chinese Mainland and the UK (30 June 2025: 3,105).

Safety remains our highest priority. In addition to maintaining and regularly updating our operational procedures and dynamic risk management frameworks, addressing hazards such as heat stress, working at height and confined space operations, the Group actively engages external stakeholders to foster a shared safety culture.

In 1H2026, the Group held the **"Act Together for Safety – Subcontractor Safety Forum"**, focusing on practical, site-based safety excellence and tangible field actions. The forum connected over 100 participants, including our management team, project staff and valued subcontractor partners, both in person and online, to strengthen our collective commitment to workplace safety and well-being. Through open dialogue, shared accountability and continuous improvement, the forum reinforced the foundation for safer and more resilient workplaces, practising our core belief: "Together, we act. Together, we deliver safety."

The Group upholds the highest standards of project governance, business ethics and operational integrity. Our Code of Conduct and operating procedures are clearly communicated to all employees and reinforced through ongoing training encompassing statutory and key requirements, including the Prevention of Bribery Ordinance, the Competition Ordinance, anti-discrimination ordinances, the Construction Workers Registration Ordinance, cybersecurity awareness and personal data privacy. Robust governance mechanisms, including internal and external audits, whistle-blowing channels and conflict-of-interest declarations ensure operational transparency and accountability across all projects.

We enforce proactive vigilance for non-compliance across all operating units and project sites. Operating procedures, safety protocols and contractual obligations are regularly reviewed and audited. The Group maintains a zero-tolerance policy toward deliberate non-compliance, implementing clear disciplinary actions, contractual sanctions and administrative remedies where violations occur, thereby safeguarding our operational reputation, intellectual property and client trust.

Since 1984, the Group has demonstrated a steadfast commitment to developing engineering professionals through our long-standing participation in the Hong Kong Institution of Engineers ("HKIE") Graduate Training Scheme and the Vocational Training Council (VTC) Apprenticeship Programme. These structured training and mentorship initiatives have successfully nurtured 1,360 young engineers and technicians, many of whom have grown with the Group to assume senior professional and leadership roles, contributing significantly to both the industry and the wider community. Supported by our team of HKIE Scheme A-accredited Engineering Supervisors across multiple disciplines, we provide comprehensive guidance at every stage of professional development, from graduate traineeship to professional chartership and beyond.

In June 2026, more than 140 young trainees were being nurtured through these training programmes. Apart from the scope covering seven disciplines under the HKIE Graduate Training Scheme: Mechanical, Electrical, Environmental, Building Services, Energy, Electronics, and Control, Automation and Instrumentation, our programme has been expanded to cover Quantity Surveying under the Hong Kong Institute of Surveyors ("HKIS"). The curriculum has also been further enhanced to reinforce safety, ethics and social responsibility education. In addition, outstanding trainees are offered an additional year of advanced training to broaden their capabilities and industry exposure.

In line with our commitment to corporate social responsibility, our engineering professionals serve the community, by providing tutorial classes for students, including those from underprivileged families and with Special Educational Needs (SEN). This initiative is an integral part of our HKIE Scheme A training. In 1H2026, our graduate trainees completed over 1,000 community service hours. In addition, we supported more than 100 households, including elderly individuals living alone and other vulnerable groups, through home repair and maintenance services.

In recognition of these efforts, the Group was awarded the **"Excellence in Construction Industry Volunteering Project" Silver Award** and the **"Annual Construction Industry Sports & Volunteering Programme (CISVP) Participant Award for Activeness" – Merit Award** at the Construction Industry Volunteer Award Presentation Ceremony 2026 organised by the CIC. These awards recognise the passion and generosity of the ATAL Community Service Team, which comprises our engineers, technical professionals and support staff who are united in making a positive impact in our community and supporting students in their learning journeys.

We encourage our employees at all levels to undertake continuous training to enhance their knowledge, skills, integrity, customer focus, leadership and overall capabilities. The Group's diverse training portfolio fosters a spirit of craftsmanship and equips staff with the skills and knowledge required to navigate a rapidly changing business environment. In 1H2026, the Group conducted 126 internal training courses, totalling over 10,446 training hours.

In recognition of our exemplary efforts in employee development, the Group was awarded "Manpower Developer" status by the Employees Retraining Board in April 2024. In 2026, we successfully extended this status for a further two years through to March 2028.

To reinforce our core values and align individual goals with corporate objectives, the Group maintains a comprehensive goal setting and performance appraisal framework. This is supported by competitive remuneration and incentive mechanisms to attract, retain and motivate high-calibre talents. Our remuneration policy rewards strong and sustained performance and is aligned with strategic business priorities. Additional guidance and tools are provided to managers to ensure effective performance differentiation, enabling the Group to recognise competent and committed employees who embody our vision and values. This approach strengthens our organisational capability, promotes career development and supports the Group's long-term strategy and shareholder interests.

The Group cultivates a fair, inclusive and equal-opportunity working environment. We offer flexible work arrangements for female staff, where appropriate, including nursing rooms, duty adjustments for pregnant employees, and dedicated support for women working on-site. We also recruit ethnic minority and non-local talents, balancing training opportunities for local staff with the utilisation of government labour importation schemes for the construction sector to fill gaps in the local employment market.

To foster a strong sense of belonging, the ATAL Recreational and Welfare Affairs Club ("ARWA Club") actively organises sports and social activities to promote a healthy and happy workplace. It supports company sports teams, including dragon boat, bowling, badminton, basketball and football teams. In addition to internal employee engagement, the ARWA Club provides a platform and opportunities to connect, interact and compete with corporates from various sectors and across society. These inter-corporate exchanges broaden our employees' professional networks, promote cross-industry camaraderie, and showcase the Group's spirit of craftsmanship, sportsmanship, and dynamic corporate culture to the community.

OUTLOOK

Macroeconomic dynamics and explosive development of innovative technologies present both market shifts as well as opportunities of value. Effectively negotiating these challenges and opportunities, the Group achieved an 88.1% increase in profit attributable to owners of the Company, reaching HK$152.0 million for 1H2026. Our core operations remain resilient, fortified by record-high contracts-in-hand and a strong cash position that provides the financial flexibility for working capital, additional projects, future growth and capturing value opportunities in the market.

Reflecting the record-high interim contracts, many projects in the Northern Metropolis, including Fanling and Kwu Tung housing projects, various hospitals, a landmark engineering contract to reprovision critical sewage treatment works to caverns, projects driven by the increasing demand for AI-enabled solutions and innovative technologies, and lifts and escalators around the world, are being prioritised for commencement and progress in execution. New projects scheduled to start progressively will contribute to the future profit pipeline in phases as they reach the threshold for profit recognition. Overall, the commencement and progression of the numerous projects already on hand will provide a solid foundation for the business over the next three years and beyond.

The accelerating development of the Northern Metropolis, bolstered by the 15th Five-Year Plan of the Nation, and the first Five-Year Plan of the Government of the Hong Kong Special Administrative Region, will provide an important engine for the development of both Hong Kong and the engineering industry. This is evidenced by the projects we have already won in Fanling, Kwu Tung and other areas. Infrastructure, universities, data centres, innovative industries, housing and smart cities will follow in the pipeline. Demand for AI-enabled smart solutions is also becoming a trend. As a leading provider of E&M engineering solutions as well as ICBT solutions, the Group is well positioned for these opportunities and is continuously enhancing our technologies with ongoing investment in R&D. Active tendering activities are ongoing, with many submitted tenders due for determination progressively in the future.

Leveraging the comprehensive multidiscipline capability and innovative technologies we have accumulated, the Group has integrated resource deployment across business units to explore and capture project and business opportunities in different parts of Asia and Europe. The Group is also working with partners and continuing to explore different models of collaboration, including equity participation.

Through the cross-unit integration of networks, project teams, design capabilities and manufacturing assets in Hong Kong and rest of the Greater Bay Area (GBA), we can more effectively integrate Hong Kong as a hub of technologies aligned with international standards and innovative iconic project experience, with the Chinese Mainland's robust supply chain and operational scale. This will ensure our professionals remain agile, competitive and technically outstanding as we lead the industry's technological transformation.

The Group is committed to continuously strengthening resilience and governance, with guidelines regularly reviewed and updated to ensure effective and efficient work, guide collective actions and improve communication to make us stronger. Also in place are staff recruitment and retention, and talent development programmes, as well as labour importation schemes to fill specific skill gaps.

The Group will celebrate the significant milestone of our 50th anniversary in 2027. Over the past five decades, we have grown from being an E&M engineering equipment trading company into a leading provider of E&M engineering services and information and communications technology (ICT) solutions for smart cities, underpinned by our strong commitment to our core values: 'We Commit. We Perform. We Deliver'. This upcoming milestone is not only a celebration of what we have achieved hand-in-hand with our customers and stakeholders, it will be a starting point for capturing 'New Technologies. New Markets and New Business Models' in this unprecedent era of global and technology transformation. We will continue to focus on creating value for our shareholders, customers, staff, suppliers and other stakeholders, contributing to the future of Hong Kong and the communities we serve.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK4.9 cents per share of the Company (the "Share(s)") for 1H2026 (the "Interim Dividend") to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company (the "Register of Members") as at the close of business on Wednesday, 16 September 2026. The Interim Dividend is expected to be paid to the Shareholders on or about Monday, 28 September 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining Shareholders' entitlement to the Interim Dividend, the Register of Members will be closed from Tuesday, 15 September 2026 to Wednesday, 16 September 2026, both days inclusive, during which period no transfer of Shares will be registered. The Shares will be traded ex-dividend as from Friday, 11 September 2026. In order to be entitled to the Interim Dividend, the Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration by no later than 4:30 p.m. on Monday, 14 September 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance practices and procedures. The Company has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as the basis of the Company's corporate governance practices. In 1H2026, the Company has complied with all applicable code provisions set out in the CG Code.

REVIEW OF INTERIM RESULTS

The Audit Committee was established by the Board for the purposes of, among other things, reviewing and providing supervision over the Group's financial reporting process and internal controls. It currently comprises three independent non-executive directors of the Company. The Audit Committee has reviewed this interim results announcement and the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026 and has discussed financial related matters with the management and the external auditor of the Company.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 have been reviewed by the Company's external auditor, Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)) in 1H2026. The Company and its subsidiaries did not hold any treasury shares of the Company as at the end of 1H2026.

PUBLICATION OF 2026 INTERIM RESULTS AND 2026 INTERIM REPORT

This interim results announcement is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.atal.com). The Company's interim report for the six months ended 30 June 2026, containing all information required under the Listing Rules, will be published on the respective websites of the Stock Exchange and the Company in due course and a relevant notice of publication will be sent to the Shareholders. The printed version of the interim report will also be despatched to the Shareholders in accordance with their individual request.

On behalf of the Board of
ANALOGUE HOLDINGS LIMITED
Dr. Mak Kin Wah
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the executive directors of the Company are Dr. Poon Lok To, Otto, Dr. Mak Kin Wah, Mr. Chan Hoi Ming, Mr. Cheng Wai Lung and Mr. Cheng Wai Keung, Peter; and the independent non-executive directors of the Company are Mr. Chan Fu Keung, Mr. Lam Kin Fung, Jeffrey and Ms. Shing Mo Han, Yvonne.