

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 JULY 2026

FINANCIAL HIGHLIGHTS

- The Group recorded a revenue of approximately HK\$283.2 million for the year ended 31 July 2026, representing a decrease of approximately 14.4% compared with approximately HK\$330.7 million reported for the year ended 31 July 2025.
- Profit attributable to owners of the Company decreased by approximately 26.6% from approximately HK\$28.2 million for the year ended 31 July 2025 to approximately HK\$20.7 million for the year ended 31 July 2026.
- Earnings per share attributable to owners of the Company for the year ended 31 July 2026 was approximately HK2.07 cents (2025: approximately HK2.82 cents).
- The Board has recommended the payment of a final dividend in the form of cash of HK1.5 cents per ordinary share for the year ended 31 July 2026, which is subject to Shareholders' approval at the 2026 AGM. Together with the interim dividend of HK1.5 cents per share paid to the Shareholders on 29 April 2026, the total cash dividend for the year ended 31 July 2026 will be HK3.0 cents (2025: HK3.5 cents) per share.

The board of directors (the “**Directors**” and the “**Board**”, respectively) of Tak Lee Machinery Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 July 2026, together with the audited comparative figures for the year ended 31 July 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2026

	<i>Note</i>	2026 <i>HK\$’000</i>	2025 <i>HK\$’000</i>
Revenue	3	283,167	330,652
Cost of revenue		<u>(228,221)</u>	<u>(262,902)</u>
Gross profit		54,946	67,750
Other income and other gains and losses	3	2,781	5,545
Reversal of allowance for trade and lease receivables		2,252	2,741
Administrative and other operating expenses		<u>(35,168)</u>	<u>(42,237)</u>
Profit from operations		24,811	33,799
Finance costs	4	<u>(126)</u>	<u>(178)</u>
Profit before tax		24,685	33,621
Income tax expense	5	<u>(4,028)</u>	<u>(5,458)</u>
Profit for the year attributable to owners of the Company	6	<u>20,657</u>	<u>28,163</u>
Other comprehensive income:			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement gains on defined benefit obligations		<u>258</u>	<u>52</u>
Other comprehensive income for the year, net of tax		<u>258</u>	<u>52</u>
Total comprehensive income for the year attributable to owners of the Company		<u>20,915</u>	<u>28,215</u>
Earnings per share			
– Basic and diluted (HK cents)	8	<u>2.07</u>	<u>2.82</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2026

	<i>Note</i>	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment		129,078	144,693
Right-of-use assets		33,699	17,876
Investment property		–	13,000
		162,777	175,569
Current assets			
Inventories		102,147	98,657
Trade and lease receivables	9	58,859	58,766
Prepayments, deposits and other receivables		23,705	39,357
Bank and cash balances		131,607	118,515
		316,318	315,295
Current liabilities			
Trade payables	10	2,616	1,495
Other payables and accruals	10	5,630	6,699
Contract liabilities	10	8,438	9,428
Lease liabilities		4,042	1,510
Current tax liabilities		8,626	6,669
		29,352	25,801
Net current assets		286,966	289,494
Total assets less current liabilities		449,743	465,063
Non-current liabilities			
Lease liabilities		2,507	918
Deferred tax liabilities		18,547	21,192
Provision		832	1,011
		21,886	23,121
NET ASSETS		427,857	441,942
Capital and reserves			
Share capital	11	10,000	10,000
Reserves		417,857	431,942
TOTAL EQUITY		427,857	441,942

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands on 11 December 2015. Its issued shares were initially listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 27 July 2017 and were transferred from GEM to the Main Board of the Stock Exchange on 6 October 2020. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The address of its principal place of business is D.D. 111, Lot No. 117, Sheung Che Village, Pat Heung, Yuen Long, New Territories, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the trading of heavy equipment and spare parts, leasing of heavy equipment and provision of machine operators, repair, logistics and other ancillary services in Hong Kong.

In the opinion of the Directors, Generous Way Limited, a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate and ultimate parent, and Mr. Chow Luen Fat (“**Mr. Chow**”) and Ms. Cheng Ju Wen are the ultimate controlling parties of the Company.

The consolidated financial statements of the Group for the year ended 31 July 2026 are presented in Hong Kong dollars (“**HK\$**”) which is the functional currency of the Group and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has adopted all of the new or amended HKFRS Accounting Standards and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) that are mandatory for the current reporting period. There was no material impact to the consolidated financial statements as a result of the adoption of these standards.

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 July 2026 and which have not been early adopted by the Group for the annual reporting period ended 31 July 2026. The Group’s assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (continued)

(b) Revised HKFRS Accounting Standards in issue but not yet effective (continued)

The Directors are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation that are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the adoption of HKFRS 18 “Presentation and Disclosure in Financial Statements”.

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group presents and discloses financial performance in the consolidated financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. The entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the consolidated financial statements.
- Enhanced guidance is provided on how information should be grouped in the consolidated financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- Reclassification within the consolidated statement of profit or loss

HKFRS 18 introduces mandatory categories, including operating, investing and financing, for the presentation of income and expenses in the consolidated statement of profit or loss. Accordingly, certain items currently presented within operating results may be reclassified to the investing or financing categories upon adoption of HKFRS 18.

- Defined operating profit subtotal

HKFRS 18 introduces a defined operating profit subtotal based on prescribed classification principles. As certain income and expense items currently included within operating results may be presented within the investing or financing categories under HKFRS 18, the composition of operating profit will change. However, the adoption of HKFRS 18 is not expected to have any impact on profit before tax, profit for the year, total comprehensive income or total equity or total cash flows.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (continued)

(b) Revised HKFRS Accounting Standards in issue but not yet effective (continued)

- Consolidated statement of cash flows

As the Group presents operating cash flows using the indirect method, the reconciliation will be required to start from the defined operating profit subtotal under HKFRS 18 rather than profit before tax. This is expected to result in presentation changes within the consolidated statement of cash flows, without affecting total net cash flows.

- MPMs

HKFRS 18 requires entities to disclose information about management-defined performance measures that are used in public communications and that communicate management's view of the Group's financial performance. The Group is assessing whether any performance measures disclosed in its public communications, including the Management Discussion and Analysis, meet the definition of management-defined performance measures under HKFRS 18 and whether additional disclosures or reconciliations will be required in the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue and other income and other gains and losses recognised during the year are as follows:

Disaggregation of revenue from contracts with customers

	Sales of heavy equipment and spare parts <i>HK\$'000</i>	Provision of machine operators <i>HK\$'000</i>	Provision of repair, logistics and other ancillary services <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 July 2026				
Timing of revenue recognition				
A point in time	172,011	–	11,820	183,831
Over time	–	20,499	1,106	21,605
	<u>172,011</u>	<u>20,499</u>	<u>12,926</u>	<u>205,436</u>
Total	<u>172,011</u>	<u>20,499</u>	<u>12,926</u>	<u>205,436</u>
For the year ended 31 July 2025				
Timing of revenue recognition				
A point in time	208,617	–	12,963	221,580
Over time	–	21,191	612	21,803
	<u>208,617</u>	<u>21,191</u>	<u>13,575</u>	<u>243,383</u>
Total	<u>208,617</u>	<u>21,191</u>	<u>13,575</u>	<u>243,383</u>

The original expected duration for the above contracts with customers is one year or less. As permitted under HKFRS 15 (para 121), the transaction price allocated to these unsatisfied contracts is not disclosed.

3. REVENUE AND SEGMENT INFORMATION (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the total revenue of the Group.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Sales of heavy equipment and spare parts	172,011	208,617
Provision of machine operators	20,499	21,191
Provision of repair, logistics and other ancillary services	12,926	13,575
Revenue from contracts with customers	205,436	243,383
Lease of heavy equipment	77,731	87,269
Total revenue	283,167	330,652
	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Other income and other gains and losses		
Compensation income from suppliers	479	732
Net gain on disposals or write-off of property, plant and equipment	315	36
Interest income	1,798	1,456
Foreign exchange (loss)/gain, net	(375)	82
Government grants	346	3,167
Impairment loss on investment property	–	(409)
Others	218	481
	2,781	5,545

Segment information

Information reported to the Chief Executive Officer of the Group (the “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 services 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 as follows:

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

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

The Directors assess the performance of the operating segments based on a measure of segment results. 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 results:*

	Sales of heavy equipment and spare parts HK\$'000	Lease of heavy equipment HK\$'000	Repair, logistics and other ancillary services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Year ended 31 July 2026					
External revenue	172,011	98,230	12,926	–	283,167
Segment results	2,763	24,341	2,532	(4,951)	24,685
Depreciation on property, plant and equipment	1,300	27,490	98	–	28,888
Depreciation on right-of-use assets	1,864	1,065	–	–	2,929
Depreciation on an investment property	–	–	–	561	561
Interest income	–	–	–	1,798	1,798
Finance costs	–	–	–	(126)	(126)
Other material items of income and expense:					
Costs of inventories sold	140,207	5,229	169	–	145,605
Staff costs, including Directors' emoluments	16,928	32,042	4,837	2,306	56,113
Other material non-cash items:					
Reversal of allowance for trade and lease receivables	(301)	(1,951)	–	–	(2,252)
Allowance for inventories, net	1,392	–	–	–	1,392
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Year ended 31 July 2025					
External revenue	208,617	108,460	13,575	–	330,652
Segment results	8,009	29,610	1,208	(5,206)	33,621
Depreciation on property, plant and equipment	2,037	28,739	133	320	31,229
Depreciation on right-of-use assets	2,071	1,077	–	1,085	4,233
Depreciation on an investment property	–	–	–	612	612
Interest income	–	–	–	1,456	1,456
Finance costs	–	–	–	(178)	(178)
Other material items of income and expense:					
Costs of inventories sold	163,489	5,674	272	–	169,435
Staff costs, including Directors' emoluments	18,690	32,812	4,232	2,268	58,002
Other material non-cash items:					
Reversal of allowance for trade and lease receivables	(708)	(2,033)	–	–	(2,741)
Allowance for inventories, net	3,455	–	–	–	3,455
Reversal of impairment on property, plant and equipment, net	–	(24)	–	–	(24)
Impairment on investment property	–	–	–	409	409
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. REVENUE AND SEGMENT INFORMATION (continued)

(ii) Geographical information

The Group's revenue was principally generated from customers located in Hong Kong. Revenue derived from customers located outside Hong Kong represented approximately 3.7% of the Group's total revenue during the year ended 31 July 2026. As substantially all of the Group's identifiable assets and liabilities were located in Hong Kong, no further geographical information is presented.

Information about major customers

No single customer generated revenue above 10% of the Group's total revenue.

4. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest expense on bank overdraft	1	–
Interest expense on lease liabilities	125	178
	<u>126</u>	<u>178</u>

5. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as following:

	2026 HK\$'000	2025 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	6,880	5,722
Over-provision in prior years	(207)	(8)
	<u>6,673</u>	<u>5,714</u>
Deferred tax	<u>(2,645)</u>	<u>(256)</u>
	<u>4,028</u>	<u>5,458</u>

The Company was incorporated in the Cayman Islands and TLMC Company Limited, a wholly-owned subsidiary of the Company, was incorporated in the 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 profits of the 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 a rate of 16.5% (2025: 16.5%).

6. PROFIT FOR THE YEAR

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

	2026 HK\$'000	2025 HK\$'000
Auditor's remuneration	770	770
Reversal of allowance for trade and lease receivables	(2,252)	(2,741)
Allowance for prepayments	–	69
Allowance for inventories (included in cost of inventories sold), net	1,392	3,455
Reversal of impairment on property, plant and equipment, net	–	(24)
Impairment of investment property	–	409
Cost of inventories sold	145,605	169,435
Depreciation:		
– Property, plant and equipment	28,888	31,229
– Right-of-use assets	2,929	4,233
– Investment property	561	612
	32,378	36,074
Direct operating expense of an investment property that generates rental income	50	50
Foreign exchange loss/(gain), net	375	(82)
Net gain on disposals or written off of property, plant and equipment	(315)	(36)
Short-term lease charges in respect of:		
– Office and warehouse premises	2,879	2,537
– Machineries	1,513	2,903
	4,392	5,440
Staff costs (including Directors' emoluments)		
– Salaries, allowances and others	52,069	52,471
– Directors' fees	540	540
– Discretionary bonus	–	420
– Director's quarter expenses	1,766	1,728
– Retirement benefit scheme contributions	1,653	1,780
– Provision for employee benefits	85	1,063
	56,113	58,002

Note:

The Group contributes to defined contribution retirement plans which are available for all eligible employees.

The Group operates a Mandatory Provident Fund scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000.

During the years ended 31 July 2026 and 2025, the Group had no forfeited contributions which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 July 2026 and 2025, which may be used by the Group to reduce the employer's future contributions to the MPF Scheme.

7. DIVIDENDS

	2026 HK\$'000	2025 HK\$'000
Dividend paid		
2025 final dividend of HK2.0 cents (2024: HK1.5 cents) per ordinary share	20,000	15,000
2026 interim dividend of HK1.5 cents (2025: HK1.5 cents) per ordinary share	15,000	15,000
	<u>30,000</u>	<u>30,000</u>
Dividend proposed		
2026 proposed final dividend of HK1.5 cents (2025: HK2.0 cents) per ordinary share (<i>Note</i>)	15,000	20,000
	<u>15,000</u>	<u>20,000</u>

Note:

The final dividend for the year ended 31 July 2026 was recommended by the Board at a Board meeting held on 22 October 2026. Such recommended final dividend is subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the forthcoming annual general meeting (the “**2026 AGM**”). This recommended final dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 July 2027 after the approval at the 2026 AGM.

8. EARNINGS PER SHARE

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

	2026 HK\$'000	2025 HK\$'000
Earnings		
Profit attributable to owners of the Company	20,657	28,163
	<u>20,657</u>	<u>28,163</u>
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

The calculation of basic earnings per share is based on the weighted average 1,000,000,000 ordinary shares in issue during the year ended 31 July 2026 (2025: 1,000,000,000 ordinary shares in issue during the year).

The diluted earnings per share is equal to the basic earnings per share as there was no dilutive potential ordinary share in issue during the years ended 31 July 2026 and 2025.

9. TRADE AND LEASE RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade and lease receivables	60,413	62,673
Less: Allowance for expected credit losses	(1,554)	(3,907)
	<u>58,859</u>	<u>58,766</u>

The Group's credit terms generally range from cash on delivery 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 receivables. Overdue balances are reviewed regularly by the Directors.

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

	2026 HK\$'000	2025 HK\$'000
0 to 90 days	34,570	36,774
91 to 180 days	15,062	10,330
181 to 365 days	7,671	11,567
Over 365 days	1,556	95
	<u>58,859</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 the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

10. TRADE AND OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

	2026 HK\$'000	2025 HK\$'000
Trade payables	<u>2,616</u>	<u>1,495</u>
Other payables and accruals		
Accrued staff costs	2,946	3,944
Accrued administrative and operating expenses	1,164	1,154
Refundable rental deposits received	1,520	1,601
	<u>5,630</u>	<u>6,699</u>
Contract liabilities	<u>8,438</u>	<u>9,428</u>
	<u>16,684</u>	<u>17,622</u>

**10. TRADE AND OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES
(continued)**

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0 to 30 days	1,486	898
31 to 90 days	<u>1,130</u>	<u>597</u>
	<u><u>2,616</u></u>	<u><u>1,495</u></u>

The credit period ranges normally from 0 to 120 days.

11. SHARE CAPITAL

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

12. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

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 heavy equipment as well as provision of machine operators, and (iii) the provision of repair, logistics and other ancillary services.

BUSINESS REVIEW AND OUTLOOK

The Group recorded a decrease in profit attributable to Shareholders for the year ended 31 July 2026 by approximately 26.6% to approximately HK\$20.7 million from approximately HK\$28.2 million for the year ended 31 July 2025.

The decrease in net profit was mainly attributed to (i) lower demand for the heavy equipment across the sales and leasing business, with the leasing segment particularly affected following the substantial completion of works on the three-runway system and landfill extension projects during the year; and (ii) a decline in gross profit margin of the sales and leasing segments.

Earnings per share for the year ended 31 July 2026 was approximately HK2.07 cents (2025: HK2.82 cents).

For the year ended 31 July 2026, the Group has achieved total revenue of approximately HK\$283.2 million, representing a decrease of approximately HK\$47.5 million or 14.4% from approximately HK\$330.7 million for the year ended 31 July 2025 due to a decrease in demand in sales and leasing of heavy equipment as mentioned above.

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 Chief Executive's 2026 Policy Address reaffirms the HKSAR Government's commitment to expediting the development of the Northern Metropolis, including the commencement of all nine New Development Areas, the development of the San Tin Technopole, the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone, the Hung Shui Kiu Industry Park and related transport and community facilities. Coupled with the HKSAR Government's measures to promote the application of artificial intelligence in construction, 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 generated its revenue from (i) the sales of new and used heavy equipment and spare parts; (ii) the leasing of heavy equipment as well as provision of machine operators; and (iii) the provision of repair, logistics and other ancillary services.

The Group generated a majority of its revenue from its sales and leasing business. For the year ended 31 July 2026, the total revenue of the Group amounted to approximately HK\$283.2 million, representing a decrease of approximately HK\$47.5 million or 14.4%, from approximately HK\$330.7 million for the year ended 31 July 2025. Such decrease was mainly attributable to a decrease in sales of heavy equipment and spare parts of approximately HK\$36.6 million, a decrease in revenue from the leasing business of approximately HK\$10.2 million and a decrease in income from provision of repair, logistics and other ancillary services of approximately HK\$0.7 million.

Revenue from the sales of heavy equipment and spare parts

The revenue from the sales of heavy equipment and spare parts decreased by approximately HK\$36.6 million or 17.5%, from approximately HK\$208.6 million for the year ended 31 July 2025 to approximately HK\$172.0 million for the year ended 31 July 2026. The decrease was mainly attributable to lower demand for used heavy equipment.

Revenue from the leasing of heavy equipment and provision of machine operators

The revenue from leasing of heavy equipment and provision of machine operators decreased by approximately HK\$10.2 million or 9.4%, from approximately HK\$108.5 million for the year ended 31 July 2025 to approximately HK\$98.3 million for the year ended 31 July 2026. The decrease was mainly due to the substantial completion of the related works for the three-runway system and landfill extension projects.

Revenue from the provision of repair, logistics and other ancillary services

The revenue from the provision of repair, logistics and other ancillary services decreased by approximately HK\$0.7 million or 5.1% from approximately HK\$13.6 million for the year ended 31 July 2025 to approximately HK\$12.9 million for the year ended 31 July 2026. The decrease was mainly due to a decrease in transportation income of heavy equipment.

Cost of revenue

The cost of revenue amounted to approximately HK\$228.2 million for the year ended 31 July 2026, representing a decrease of approximately HK\$34.7 million or 13.2% from approximately HK\$262.9 million for the year ended 31 July 2025. Cost of revenue mainly comprised costs of heavy equipment and spare parts, depreciation, repairs and maintenance costs, as well as staff costs for operators, technicians and inspectors. The decrease was mainly driven by the decreases in the cost of heavy equipment and spare parts, and transportation costs by approximately 14.1% and 45.5%, respectively.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$12.8 million or 18.9% from approximately HK\$67.8 million for the year ended 31 July 2025 to approximately HK\$55.0 million for the year ended 31 July 2026, with gross profit margin at approximately 19.4% for the year ended 31 July 2026 as compared to approximately 20.5% for the year ended 31 July 2025.

The decrease in gross profit was mainly attributable to decreases in revenue and gross profit margin of the sales and leasing business due to lower demand of heavy equipment. The gross profit of the sales segment and leasing segment decreased by approximately 23.1% and 20.6% respectively for the year ended 31 July 2026.

Other income and other gains and losses

Other income and net gains decreased by approximately 49.1% from approximately HK\$5.5 million for the year ended 31 July 2025 to approximately HK\$2.8 million for the year ended 31 July 2026. The decrease was mainly due to a decrease in government grants of approximately HK\$2.8 million for the year ended 31 July 2026. The Group recorded a net foreign exchange loss of approximately HK\$0.4 million for the year ended 31 July 2026 while a net foreign exchange gain of approximately HK\$0.1 million was recognised for the year ended 31 July 2025.

Reversal of allowance for trade and lease receivables

The Group has recognised reversal of allowance for the trade and lease receivables of approximately HK\$2.3 million for the year ended 31 July 2026. 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\$7.0 million or approximately 16.6%, from approximately HK\$42.2 million for the year ended 31 July 2025 to approximately HK\$35.2 million for the year ended 31 July 2026. The decrease was mainly attributable to the decreases in overall operating costs and depreciation expenses.

Finance costs

The finance costs mainly represented the interest expenses on lease liabilities amounting to approximately HK\$0.2 million and HK\$0.1 million for the years ended 31 July 2025 and 31 July 2026, respectively.

Income tax expense

The income tax expense decreased by approximately HK\$1.4 million or approximately 26.2% for the year ended 31 July 2026 as compared with last year. The decrease was mainly due to a decrease in profit before tax for the year ended 31 July 2026.

Profit for the year ended 31 July 2026

As a result of the foregoing, the Group's profit for the year ended 31 July 2026 decreased by approximately 26.6% from approximately HK\$28.2 million for the year ended 31 July 2025 to approximately HK\$20.7 million, with net profit margin of the Group decreased to approximately 7.3% for the year ended 31 July 2026 as compared to approximately 8.5% for the year ended 31 July 2025.

DIVIDEND

The Board has recommended the payment of a final dividend in the form of cash of HK1.5 cents per ordinary share for the year ended 31 July 2026 (the “**Final Dividend**”) to the Shareholders whose names appear on the register of members of the Company (the “**Register of Members**”) on Wednesday, 9 December 2026 (record date), subject to the approval of the Shareholders at the 2026 AGM. Shares of the Company will be traded ex-dividend as from Thursday, 3 December 2026. The proposed Final Dividend, if approved, will be paid to the Shareholders on or around Wednesday, 23 December 2026. Together with the interim dividend of HK1.5 cents per share paid to the Shareholders on 29 April 2026, the total cash dividend for the year ended 31 July 2026 will be HK3.0 cents (2025: HK3.5 cents) per share.

LIQUIDITY AND FINANCIAL RESOURCES

The current ratio (as calculated by dividing the total current assets by the total current liabilities) of the Group as at 31 July 2026 was approximately 10.8 times as compared to that of approximately 12.2 times as at 31 July 2025. As at 31 July 2026, the Group had total bank and cash balances of approximately HK\$131.6 million (31 July 2025: approximately HK\$118.5 million).

In addition, as at 31 July 2026 and 31 July 2025, the Group did not have any bank borrowings. The gearing ratio, calculated based on total debts (including bank borrowings and lease liabilities) divided by total equity at the end of the year and multiplied by 100%, was approximately 1.5% as at 31 July 2026 (31 July 2025: approximately 0.5%). The Group had unutilised banking facilities of approximately HK\$90.0 million as at 31 July 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 COMMITMENTS

As at 31 July 2026 and 31 July 2025, the Group did not have any capital commitments contracted for.

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

As at 31 July 2026 and 31 July 2025, the Group did not have any charge on its assets.

As at 31 July 2026 and 31 July 2025, the Group did not have any material contingent liabilities.

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 July 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.

SEGMENT INFORMATION

Segment information is presented for the Group as disclosed in note 3 to the consolidated financial statements above.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 July 2026, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of the business transactions, assets and liabilities are denominated in the functional currencies of the Group entities, Japanese Yen (“**JPY**”) and US dollars (“**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.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and lease receivables) and from its financing activities, including deposits with banks and financial institutions.

(i) *Credit risk of trade and lease receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 4.8% (2025: Nil) and 21.8% (2025: 10.6%) of the trade and lease receivables was due from the Group's largest customer and the five largest customers respectively.

The Group has policies and procedures to monitor the collection of the trade and lease receivables to limit the exposure to non-recovery of the receivables. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade and lease receivables are usually due within a range from cash on delivery to 90 days from the date of billing. Debtors with balances past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade and lease receivables at an amount equal to lifetime ECL, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

(ii) *Credit risk of bank and cash balances*

For bank and cash balances, the Group has assessed that they are mainly placed with banks with high credit rating with no recent history of default in relation to these financial institutions and concluded that the ECL rate for these balances is immaterial.

(c) Liquidity risk

The Group's policy is to regularly monitor its current and expected liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

(d) Interest rate risk

The Group's exposure to interest rate risk mainly arises from its bank deposits. These deposits bear interest at variable rates that vary with the then prevailing market condition.

SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any significant investments or any other plans for material investments or capital assets as at 31 July 2026.

IMPORTANT EVENTS AFTER THE YEAR ENDED 31 JULY 2026

The Board is not aware of any important events affecting the Group, which have occurred subsequent to the end of the year ended 31 July 2026 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2026, the Group employed 90 (31 July 2025: 116) full-time employees. The total staff costs (including Directors' emoluments) were approximately HK\$56.1 million for the year ended 31 July 2026 (2025: approximately HK\$58.0 million). The Group determines the Directors' and employees' remuneration based on factors such as their performance, qualification, position, duty, contributions and years of experience, the 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 MPF Scheme.

The Company adopted a share option scheme on 30 June 2017 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.

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 Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the year ended 31 July 2026, 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 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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by Directors. The Company has made specific enquiries of 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 year ended 31 July 2026.

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 Company’s listed securities (including treasury shares) during the year ended 31 July 2026. As at 31 July 2026, there were no treasury shares held by the Company and its subsidiaries.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Board has reviewed the audited consolidated financial statements of the Group for the year ended 31 July 2026 and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 July 2026 as set out in this annual results announcement have been agreed by the Group’s independent auditor, RSM Hong Kong, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 July 2026. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by RSM Hong Kong on this annual results announcement.

ANNUAL GENERAL MEETING

The 2026 AGM will be held on Monday, 30 November 2026. A notice convening the 2026 AGM will be published and despatched to the Shareholders in due course in the manner required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the 2026 AGM

The record date for ascertaining Shareholders' entitlement to attend and vote at the 2026 AGM will be Monday, 30 November 2026. The Register of Members will be closed from Wednesday, 25 November 2026 to Monday, 30 November 2026, both days inclusive, during which period no transfer of the Company's shares will be registered. In order to be eligible to attend and vote at the 2026 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (the "**Hong Kong Branch Share Registrar**") for registration no later than 4:30 p.m. on Tuesday, 24 November 2026.

For the Final Dividend

The record date for ascertaining Shareholders' entitlement to the proposed Final Dividend will be Wednesday, 9 December 2026. The Register of Members will be closed from Monday, 7 December 2026 to Wednesday, 9 December 2026, both days inclusive, during which period no transfer of the Company's shares will be registered. In order to qualify for the proposed Final Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar for registration no later than 4:30 p.m. on Friday, 4 December 2026.

ANNUAL REPORT

The annual report of the Company for the year ended 31 July 2026 containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company, and printed copies thereof will be despatched to the Shareholders, as the case may be, in due course in the manner required by the Listing Rules.

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

Hong Kong, 22 October 2026

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