ATAL

Analogue Holdings Limited
安樂工程集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1977)

2021 Interim Report

About Analogue Holdings Limited

Established in 1977, Analogue Holdings Limited (the "Company", together with its subsidiaries, collectively the "Group") (stock code: 1977) is a leading electrical and mechanical ("E&M") engineering service provider headquartered in Hong Kong, with operations in Macau, Mainland China, the United States and the United Kingdom. Serving a wide spectrum of customers from public and private sectors, the Group provides multi-disciplinary and comprehensive E&M engineering and technology services in four major segments, including Building Services, Environmental Engineering, Information, Communications and Building Technologies ("ICBT") and Lifts & Escalators.

The Group also manufactures and sells Anlev lifts and escalators internationally and has entered into an alliance with Transel Elevator & Electric Inc., one of the largest independent lifts and escalators companies in New York, the United States. The Group's associate partner, Nanjing Canatal Data Centre Environmental Tech Company Limited (603912.SS), specialises in manufacturing of precision air conditioners.

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Financial Highlights

	For the six months ended 30 June	
	2021	2020
	HK$'M	HK$'M
Revenue	**2,333.6**	2,441.1
Gross profit	**323.0**	407.4
Profit attributable to owners of the Company	**112.5**	106.9
Basic earnings per share	**HK$0.08**	HK$0.08

The Board has resolved to pay an interim dividend of HK4.02 cents per share for the six months ended 30 June 2021.[(i)]

(i) The interim dividend for the six months ended 30 June 2021 of HK4.02 cents per share, amounted to HK$56.28 million in aggregate, representing a dividend payout ratio of 50%, based on the unaudited net profit of HK$112.5 million.

Chairman's Statement

"Our achievements in the first half of 2021 are a testament, not only to our efforts and capabilities but to our management team's vision in reading the dynamic landscape."

As we remain vigilant in responding at scale and pace to the COVID-19 pandemic, I have been deeply encouraged to see we are continuing to put our motto "We commit, We perform, We deliver" at the heart of everything we do. In this hugely competitive industry where reputations are hard-won and determinedly maintained, it is ATAL's reputation for always being able to perform and deliver to our commitments – with the utmost professional integrity – that has earned the respect and trust of our stakeholders. My admiration and gratitude go to my ATAL colleagues for maintaining our status as one of the leading engineering companies of choice.

I believe a critical success factor throughout these challenging times is that we always look to the long-term whilst maintaining our focus on innovation and technical excellence as we build a legacy for our business. Our achievements in the first half of 2021 are a testament, not only to our efforts and capabilities but to our management team's vision in reading the dynamic landscape. As such, 2020 and 2021 were the years of testing business environment, we maintained a steady stream of promising news, from gaining our first foothold in Europe for our lifts and escalators business to signing new contracts and engaging in several iconic projects locally, such as the new awarded projects in Kai Tak Development.

As a leading player in the industry, our long term vision drives us to remain mindful of how the local and overseas markets evolve, as well as anticipating other external forces that may potentially impact ATAL's operating environment. These include the unstable and fluctuating international trade environment; and the gradual outflow of professionals who choose to emigrate overseas. However, I am confident we will navigate through these challenges as we now see the light at the end of the tunnel. The local economy has emerged from the first half of 2021 stronger than at the start and we look to leverage on our competitive strengths and expand on our local successes to capture the opportunities in other local and overseas markets.

Chairman's Statement

One of our core competencies is the ability to develop and implement innovative engineering solutions to benefit our clients. We are keen to extend this to build on our presence regionally and in other business segments that are close to our core business. An example is the development of the Greater Bay Area plan, in which Hong Kong, Macau, and nine cities in neighbouring Guangdong province plan to create a high-technology powerhouse that will rival California's Silicon Valley by 2035. We seek to integrate our plans into the overall development of the Greater Bay Area and nurture cooperation in aspects that will win various opportunities and gain more development space for our research and development business arm.

This represents just one of the many early opportunities we are pursuing. I also foresee huge growth opportunities in Healthcare. In this regard, I am delighted to highlight our recently signed Memorandum of Understanding with Chinachem Group on the collaboration of Healthcare Service, which sets the agenda to unite our core competencies around health services and technology to establish end-to-end offerings across the healthcare ecosystem, from wellbeing initiatives, accessible digital health solutions through to patient-centric services. In the area of Environment, Social and Governance (ESG), recently we are awarded 'Special Awards (Criteria set by Fund Manager) – The Outstanding ESG Company' Diamond award and 'Special ESG Awards – The Outstanding ESG Performer of the Year' Gold award at the ESG Achievement Awards 2020 organised by the Institute of ESG & Benchmark. Currently, we are working on various environmental engineering projects in the area, such as Urumqi Qidaowan Wastewater Treatment Plant. I look forward to continuing to create shareholder value through ESG and make tangible differences in tackling climate change.

I see a bright future for our industry with opportunities abundant to those who are visionary and willing to innovate. We have a great legacy that underscores our reputation for always being able to perform and deliver to our commitments that provides the foundation for our future success. I would like to sincerely thank every one of our shareholders, business partners, customers, and staff members, for their support and contribution to this legacy.

Dr. Poon Lok To, Otto
Chairman

Hong Kong, 26 August 2021

Management Discussion and Analysis

INTERIM BUSINESS REVIEW

Overview

For the six months ended 30 June 2021, Analogue Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") recorded a consolidated net profit attributable to shareholders of the Company of HK$112.5 million, representing an increase of 5.3% compared to the same period in 2020.

It is worth noting that in the Group's 2020 first half results, contributions from Transel Elevator & Electric Inc. ("TEI") over April 2020 to June 2020 were included, TEI being a subsidiary of the Group at the time. In August 2020, the Group reduced its stake in TEI from 51% to 49%, with TEI reported as an associate of the Group thereafter. As such, an adjustment is made for TEI – where appropriate in this report – to provide a more accurate comparison of the Group's financial performance between the first half of 2021 and the first half of 2020.

Total revenue of the Group of this reporting period at HK$2,333.6 million was lower by 4.4% compared with the same period in 2020, which included the contribution from TEI as a subsidiary of the Group over April 2020 to June 2020. When adjusted for the revenue from TEI, which has since been reported as an associate of the Group since August 2020, the total revenue increased by 3.9% compared to the same period in 2020.

With the Group's strong foundation built upon its core businesses, as at 30 June 2021, the outstanding contracts in hand was HK$11.9 billion, representing a 10.2% increase over the previous period. With the global economy and in particular the local economy recovering visibly, the Group has been active in tendering, submitting in the reporting period a total of 747 tenders or quotations, with each valued at over HK$1 million.

The Group's growth strategy is underpinned by the three pillars of "New Technology", "New Market" and "New Business Model". The implementation of this strategy was reflected in the establishment of the Group's first lifts and escalators company in London, United Kingdom and prior to that, the alliance with one of the largest independent lift and escalator companies in New York, TEI, in 2020. This effectively increased the Group's scale of operations and technical capabilities, widening its range of service offering to international customers and placing it in a strategic position for growth in Europe and the United States.

HK$2.3bn
Revenue

13.8%
Gross profit margin

HK$11.9bn
Outstanding contracts in hand

HK$112.5m
Profit attributable to owners of the Company

Management Discussion and Analysis

The Group has proactively been undertaking smart innovation projects in both the public and private sectors. Our valuable contribution to the completion of the smart living and co-creation space project in Pak Shek Kok, a showcase of unique technology-infusing experiences as part of Hong Kong's first Modular Integrated Construction ("MiC") pilot projects, paves the way for future opportunities under the Hong Kong Government's "Smart City" initiatives.

In addition, our efforts to build a better future for the communities are aligned with the Group's initiatives to consolidate our market-leading position in enhancing the applications in Artificial Intelligence ("AI"), Building Information Modelling ("BIM"), and MultiTrade integrated Mechanical, Electrical and Plumbing ("MiMEP") systems.

To position the Group for maximising opportunities and long-term value across our business, we focused our investment in new technologies and innovative solutions – through our research and development ("R&D") team and collaboration with local universities – in the areas of energy optimisation, digitalisation, wastewater treatment technologies, and innovative environmental solutions.

The multiple contracts awarded to the Group for projects adopting cutting-edge technologies underscore our capabilities to implement advanced application systems. These include Hong Kong's first "Puzzle Stacking System Carpark"; and also the first Automatic Guided Vehicle (AGV) of the Robotic Parking system in support of Smart Mobility; and subsequent to the reporting period, a contract to install a new generation of Smart Washrooms by applying the latest "Long Range (LoRa)" and "Internet of Things (IoT)" technologies.

The Group recognises that developing new markets and driving new technology in isolation will no longer suffice. It will also be necessary to harness new business models to generate a competitive advantage. We are currently reviewing business model innovations and their potential applicability for using subscription basis for the energy and technology business; and Public Private Partnership for "One Belt One Road" projects. The Group will also explore suitable opportunities for equity participation that strengthens its market position.

Building Services

As at 30 June 2021, the outstanding contracts in hand of the Building Services Segment edged down 14.8% over the same period in 2020, to HK$5,138.3 million. This was mainly due to the previous slowdown in the Hong Kong construction market. The key profit contributions during the reporting period within the Building Services Segment included Heating, Ventilation and Air Conditioning ("HVAC"), Electrical, Fire Services and Building Management System for a mixed-use development in Kai Tak and the provision of maintenance services of HVAC systems in metro facility at varies locations, which was supported by our 24/7 call centre providing customer services and emergency call services for all business segments.

During the reporting period, the Group was awarded a number of notable Grade A office building projects in Wan Chai and Central as well as installation and maintenance services for prestigious clients, including operators of railway and data centre in Hong Kong and public authorities; and operators of airport complexes, public housings and public hospitals in Hong Kong.

Environmental Engineering

As at 30 June 2021, the outstanding contracts in hand of the Environmental Engineering Segment increased notably by 154.7% over the same period in 2020, to HK$5,268.4 million. This was mainly attributable to the increased number of environmental infrastructure projects in support of the government's announcement to improve environmental protection that was outlined in the 2020-21 budget.

The notable projects included the maintenance contract for Mechanical & Electrical Works of government department for water supplies, the water treatment plant handling greywater in Kwun Tong Region, and the construction of sewage treatment works in Southern Lantau Island.

With proprietary technologies and a strong track record in Hong Kong and Mainland China, the Group is leveraging its competitive edges and partner networks to explore overseas business opportunities.

During the reporting period, tendering activities for works outside Hong Kong and the Mainland included the Water Treatment Works in Kaliwa, the Philippines, Waste Water Treatment Works in Botswana, Southern Africa, and the Public Private Partnership projects in Bangladesh.

ICBT

As at 30 June 2021, the outstanding contracts in hand of the Information Communications and Building Technologies ("ICBT") Segment increased by 5.5% over the same period in 2020, to HK$936.9 million.

The key profit drivers for the ICBT Segment include our provision for green and intelligent building solutions which integrate a wide range of information and communication technologies with building energy and management technologies, that contribute to the development of a "Smart City" and "Smart Economy". The business segment is supported by the Group's in-house research and development capabilities in collaboration with market-leading hardware and software partners, universities, and research institutes.

The successful rollout of several ICBT Segment projects has attracted noteworthy market presence and interest from reputable clients. These include our in-house developed Cloud-based AI Energy Management Platform; and our newly developed smart "Internet of Things" (IoT) applications such as Smart Washrooms, Retro-commissioning (RCx), Indoor Environmental Quality (IEQ) Monitoring, Indoor Positioning and Video Analytics, which have resulted in orders secured by the Group. Further business opportunities are expected to materialise after the successful completion of the first Automatic Guided Vehicle (AGV) smart parking installation in 2021.

The Group will continue to drive digital transformation by developing smart building technologies as well as the market for adopting IoT and smart technologies to optimise energy use and enhance overall operational efficiency.

Lifts & Escalators

As at 30 June 2021, the outstanding contracts in hand of the Lifts and Escalators Segment (before including TEI) increased by 1.6% over the same period in 2020, to HK$526.3 million.

The Lifts and Escalators Segment's major profit contributors during the reporting period included the maintenance contract for government buildings.

The Group's wholly-owned subsidiary, Anlev Elex Elevator Limited ("Anlev") has been awarded the "Safety Star" and five "Service Quality Stars" in both Lift and Escalator Contractors' Performance Rating with the highest level for a consecutive period of 34 consecutive quarters by the second quarter of 2021 since the launch of the rating by the government's Electrical and Mechanical Services Department ("EMSD") in 2013.

In addition, the Group won first place in "Escalator: modernisation" category of Elevator World's "2021 Project of the Year" contest for the Central-Mid-Levels Escalator and Walkway System modernisation project, being the only company from Asia on the winners list.

Management Discussion and Analysis

Anlev is not only an award-winning lifts and escalators contractor in Hong Kong known for safety and service quality but also a global brand whose lifts, escalators, and moving walkways are serving millions of users in Asia, the Americas, and Europe.

Also noteworthy was the award of a Gold medal to Anlev in conjunction with EMSD and The Hong Kong Polytechnic University, in the International Exhibition of Inventions of Geneva 2021 for "Artificial Intelligent Nylon Optical Fibre Sensing Escalator Combs", a device that detects obstacles on escalators in real-time.

In addition, the Group expected to invest RMB60 million to expand the Nanjing factory facilities to enhance the production capacity for Lifts & Escalators to meet the anticipated demand and growth of the business.

Innovation, Resources Management and Other Operation Initiatives

During the reporting period, the Group continued to drive innovation, foster an innovation culture, and invest in value-added initiatives across its business segments. Among the many technologies developed by the Group, the Digital Twin technology is being deployed to optimise the chemical usage and operation efficiency at designated water and wastewater treatment plants. Patent application has also been submitted to the State Intellectual Property office of The People's Republic of China (中華人民共和國國家知識產權局) for the containerised sewage treatment process "全方位應用的一體化磁介質高效沉澱池設備".

In addition, we have developed an in-house technology that utilises IoT and big data analytics technology in predictive maintenance of lifts and escalators and other applications such as fault diagnosis of electrical and mechanical systems.

Technologies in energy optimisation and efficient generation and storage for green energy are also being developed by the Group in collaboration with the local universities.

With over 50% of our building services projects having adopted BIM in coordination and project management works, the Group has been exemplary in taking the lead within the industry to support the adoption of BIM and MiMEP. This is a significant step forward in demonstrating its benefits in bringing construction practices into the digital age, which will benefit the industry as a whole.

Training and Development

During the first half of 2021, a total of 206 training courses were conducted by the Group internally for 1,474 employees (from apprentice up to management) for a total of 13,685 training hours, to assist employees to acquire knowledge and skills in their current roles and prepare them for future ones to progress professionally and personally.

A new training centre has commenced operations in the third quarter of 2021 to provide dedicated space and facilities for training purposes.

COVID-19 Impact

Notwithstanding the COVID-19 impact, the Group's operations resumed a level of normality during the reporting period.

FINANCIAL REVIEW

The consolidated profit attributable to shareholders of the Company in the first half of 2021 was HK$112.5 million, an increase of 5.3% compared to the same period in 2020.

The Group's cash balance amounted to HK$1,255.6 million, an increase of 12.5% compared to cash balance as at 31 December 2020. The Group had no bank borrowings as of 30 June 2021.

It is worth noting that in the Group's 2020 first half results, contributions from TEI over April 2020 to June 2020 had been included, TEI being a subsidiary of the Group at the time. In August 2020, the Group reduced its stake in TEI from 51% to 49%, and TEI was thereafter reported as an associate of the Group. As such, there may be an adjustment made for TEI – where appropriate in this report – to provide a more accurate comparison of the Group's financial performance between the first half of 2021 and the first half of 2020.

Revenue

In the first half of 2021, the Group's reported revenue was HK$2,333.6 million, a decrease of 4.4% compared to the same period in 2020.

However, the Group's reported revenue for the first half of 2020 included the revenue amounted to HK$196.0 million generated from TEI, being a subsidiary of the Group at the time, for the three months between April to June 2020.

Upon adjusting for the revenue from TEI, which has been reported as an associate company during the period under review, the Group's total revenue increased by 3.9% compared to the same period in 2020.

Gross Profit

The gross profit for the first half of 2021 decreased by 20.7% to HK$323.0 million compared to the same period in 2020 (six months ended 30 June 2020: HK$407.4 million).

As mentioned in the revenue section above, if adjustment is made for TEI, the gross profit would be reported as HK$368.0 million in the first half of 2020. The decrease for the first half of 2021 would be 12.2% compared to the same period in 2020. The decrease in gross profit in the first half of 2021 was mainly attributable to the Building Services Segment.

The gross profit margin was 13.8% for the six months ended 30 June 2021, representing a decrease against 16.7% over the same period last year. The gross profit margin for the six months ended 30 June 2020 would be 16.4% after adjusting for TEI's contribution from April 2020 to June 2020.

Other Income

Interest income was reduced by HK$3.0 million to HK$6.4 million in the first half of 2021 because of lower interest rates on average compared with the same period in 2020.

Other Gains and Losses

The Group recorded other gains of HK$19.3 million during the first six months of 2021, representing an increase of HK$12.4 million compared to the same period last year (six months ended 30 June 2020: HK$6.9 million).

Management Discussion and Analysis

In the first half of 2021, there was a gain on disposal of 3% interest in an associate of the Group totalling HK$63.2 million. This is an increase on the gain from the disposal of the 0.37% interest in the same associate in prior period. This gain was offset by the fair value adjustment resulting from the TEI's Deferral Payments (For details, please refer to Note 18 to the condensed consolidated financial statements in this report).

Administrative Expenses

The Group's administrative expenses decreased by 14.0% to HK$264.2 million for the first half of 2021 (six months ended 30 June 2020: HK$307.4 million).

Upon adjusting for the reported administrative expenses from TEI from April 2020 to June 2020, there would be an increase of 0.3% of administrative expenses compared to the same period in 2020.

Share of Results of Associates

The Group's share of results of associates for the six months ended 30 June 2021 increased from HK$4.8 million to HK$61.1 million when compared to the same period last year and the increase was mainly attributable to TEI.

The Paycheck Protection Program ("PPP") loan forgiveness was received by TEI in June 2021 and approximately HK$37.6 million was the Group's share of USA government grants in respect of PPP in the first half of 2021, and was included in the share of results of associates.

With the inclusion of this PPP loan forgiveness, the profit before tax of the associate in US for the period from 1 July 2020 to 30 June 2021 exceeds the target performance as stipulated in the stock purchase agreement dated 31 March 2020. This results in higher deferred payment amount, by approximately HK$33.4 million which is reflected in the "loss from change in fair value of contingent consideration payables" in other gains and losses in the accounts.

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 the reporting period.

As at 30 June 2021, the Group's total cash and bank balances (excluding pledged bank deposits) amounted to HK$1,255.6 million (31 December 2020: HK$1,116.1 million), of which 62.1%, 27.7%, 10.1% and 0.1% (31 December 2020: 68.1%, 21.4%, 10.3% and 0.2%) were denominated in Hong Kong dollars or Macau Pataca, RMB, USD and other currencies respectively.

In addition, the Group had banking facilities in respect of bond, bank overdraft and loans, and other trade finance which approximately amounted to HK$1,152.2 million (31 December 2020: HK$1,462.4 million), of which approximately HK$573.0 million had been utilised (31 December 2020: HK$667.1 million).

Foreign Exchange Risk

The Group operates primarily in Hong Kong, Macau and Mainland China and is not exposed to significant exchange risk. The Group will continue to monitor its exposure to the currency risks closely by reviewing the fluctuation of the foreign exchange rate.

Use of proceeds from listing of shares of the Company

The aggregate net proceeds raised by the Company from the listing of its shares pursuant to the global offering of the Company in 2019 were approximately HK$335.7 million (the "Net Proceeds"). As of 30 June 2021, the Group reported as having spent HK$170.7 million of the Net Proceeds and committed HK$18.7 million of the Net Proceeds.

As set out in the announcement of the Company dated 27 November 2020, the board of the directors of the Company (the "Board") resolved to change the use of the unutilised Net Proceeds as at 31 October 2020.

The following table sets out the original allocation, the revised allocation as of 31 October 2020, and the actual usage up to 30 June 2021:

	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$'M*	Utilised amount of Net Proceeds from 1 November 2020 to 31 December 2020 *HK$'M*	Unutilised amount of Net Proceeds as at 31 December 2020 *HK$'M*	**Utilised amount of Net Proceeds from 1 January 2021 to 30 June 2021** ***HK$'M***	**Unutilised amount of Net Proceeds as at 30 June 2021** ***HK$'M***
Supporting the expansion and development of building services segment	67.1	34.6	42.4	19.0	23.4	**19.4**	**4.0**
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	0.3	40.6	**16.7**	**23.9**
Enhancing engineering capabilities of ICBT segment							
– setting up dedicated research and development teams	19.3	6.0	13.3	0.5	12.8	**1.9**	**10.9**
– 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 Mainland China	13.0	–	–	–	–	**–**	**–**
– expanding existing manufacturing facilities	–	–	67.1	0.2	66.9	**12.3**	**54.6**
Acquisition of, or investment in, companies	–	–	68.0	–	68.0	**–**	**68.0**
General working capital	33.7	31.8	8.4	1.2	7.2	**3.6**	**3.6**
Total	335.7	90.0	245.7	26.8	218.9	**53.9**	**165.0**

The expected timeline for utilising all the unutilised Net Proceeds is on or before 31 December 2022.

Management Discussion and Analysis

Gearing Ratio and Indebtedness

As of 30 June 2021, the gearing ratio (being gross borrowings divided by total equity) was not applicable to the Group as the Group had no bank borrowings (31 December 2020: Not applicable).

Charges on Group Assets

The Group had pledged its assets as security for general short-term banking facilities which amounted to HK$85.4 million as at 30 June 2021, representing a reduction of 0.1% compared to that as at 31 December 2020 (as at 31 December 2020: HK$85.5 million). The 2021 pledged assets were represented as bank deposits denominated in RMB, properties and investment properties.

Capital Commitment

As of 30 June 2021, the capital commitment of the Group contracted but not provided for in the condensed consolidated financial statements amounted to HK$18.7 million for the expansion of existing lifts and escalators manufacturing facilities in Nanjing; and HK$0.1 million for the enterprise resources planning system. As at 31 December 2020, the capital commitment contracted but not provided for amounted to HK$2.4 million.

Contingent Liabilities

As at 30 June 2021, the Group had outstanding performance bonds of approximately HK$390.9 million (31 December 2020: HK$486.8 million), which were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's contractual obligations to customers. If the Group fails to provide satisfactory performance to such customers, the customers may demand the banks to pay them the sum or sum stipulated in the performance bond, and the Group will become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contracting works concerned.

Human Resources

As at 30 June 2021, the Group had 2,527 employees, including 108 contract and 229 term contract hires, in Hong Kong, Macau, Mainland China and the United Kingdom.

The Group believes in staff development and is committed to creating an environment in which employees will take pride in their work. The Group is ready to compete in the market for the best skills available and provide competitive remuneration to attract and retain talents. As quality and committed employees are fundamental to customer satisfaction and ultimately the success of the Group, the remuneration policy is also performance-linked – designed to share the fruit of its success with employees – to motivate staff in helping the Group achieve its strategic business goals. To serve that important purpose, the Group has a comprehensive system of goals setting and performance appraisal in place. As an equal opportunity employer, the Group treats all employees fairly.

Remunerations of directors and senior management, which are recommended by the remuneration committee of the Board and approved by the Board, are subject to periodic review.

The Group requires employees to act with integrity and upholds a high standard of business ethics when working with customers and business partners. A full set of Code of Conduct which sets out the standard of ethics and conducts expected of the Group and its staff is available for reference by employees via the Group's intranet.

The Group aspires to become an innovative, leading and sustainable multi-disciplinary electrical and mechanical engineering group. The Group embraces continuous improvement, encourages life-long learning and strives to build a culture that treasures innovation. To support staff development, the Group invests ample resources in training its managers, engineers and technicians.

OUTLOOK

The Group is in a healthy liquidity position. Our business outlook remains positive as we continue to respond to the COVID-19 pandemic and amid the various geopolitical uncertainties which may continue to affect our business, including the US-China trade tensions.

We expect a continuous rebound from the construction industry with the Hong Kong Government pledging its support to invest in infrastructure projects, including a plan to increase the annual capital works expenditure on the supply of 430,000 housing units in the coming 10 years and an expenditure of HK$200 billion as part of the 10-year Hospital Development Plan. The Group is well-positioned to take advantage of the growth in demands from both the public and the private sectors to build a strong, yet diversified portfolio that will further add stability to its revenue pipeline in all its business segments.

Smart operations enabled by digital technologies, big data analytics, IoT, and innovation will drive the Group's R&D capabilities forward. There is also an increasing market demand for upgrading or replacing systems in existing buildings with the latest technologies to enhance operational efficiency and optimise energy use.

Looking ahead, the Group is continuing to strengthen its operations and maintenance service capabilities in anticipation of the increasing market demand for specialised solutions; constantly reviewing and innovating business models and deploying new technologies for hospital facilities, automatic smart car park systems, and digital twin technologies in water and wastewater plants.

The Group will continue to invest in the R&D of innovative construction technologies: IoT, AI, Big Data Analytics, MiC, MiMEP and BIM. The adoption of these cutting-edge technologies will benefit our clients and strengthen our competitiveness, helping to optimise time, cost, energy, quality, and operational efficiency in all our projects.

The Group will continue to monitor and act to minimise the risks associated with our growing businesses, such as engineering human capital availability, commodity and material cost fluctuations, and as we grow into the global market, the exposure on foreign exchange.

We will continue to leverage our local expertise to expand our presence regionally and in overseas markets. As we start to witness the positive outcomes from our strategic alliance with TEI and our business operations in the United Kingdom, the Group will actively explore further business opportunities in other countries (including Europe and Oceania) and the Greater Bay Area (GBA) to fortify its market leadership and accelerate growth.

Overall, the Group is supported by a strong financial position and well-placed to capture the opportunities both locally and globally to maximise stakeholders' return.

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF ANALOGUE HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Analogue Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 15 to 45, which comprise the condensed consolidated statement of financial position as of 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with 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. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 August 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Notes	Six months ended 30 June 2021 HK$'000 (Unaudited)	2020 HK$'000 (Unaudited)
Revenue	3	**2,333,618**	2,441,050
Cost of sales and services		**(2,010,577)**	(2,033,696)
Gross profit		**323,041**	407,354
Other income		**6,355**	9,319
Other gains and losses	4	**19,275**	6,915
Impairment losses under expected credit loss model, net of reversal	14	**(2,825)**	5,258
Selling and distribution expenses		**(3,129)**	(1,441)
Administrative expenses		**(264,204)**	(307,365)
Share of results of associates		**61,135**	4,842
Finance costs	5	**(2,485)**	(1,976)
Profit before tax		**137,163**	122,906
Income tax expense	6	**(24,637)**	(18,126)
Profit for the period	7	**112,526**	104,780
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss:			
Gain (loss) on revaluation of properties		**525**	(736)
Income tax relating to (gain) loss on revaluation of properties		**(87)**	121
		438	(615)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising from translation of foreign operations		**5,330**	(8,366)
Reclassification of cumulative translation reserve upon disposal of interest in an associate		**(797)**	228
		4,533	(8,138)
Other comprehensive income (expense) for the period, net of tax		**4,971**	(8,753)
Total comprehensive income for the period		**117,497**	96,027

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Note	Six months ended 30 June 2021 HK$'000 (Unaudited)	2020 HK$'000 (Unaudited)
Profit for the period attributable to:			
Owners of the Company		**112,526**	106,878
Non-controlling interests		**–**	(2,098)
		112,526	104,780
Total comprehensive income for the period attributable to:			
Owners of the Company		**117,497**	98,125
Non-controlling interests		**–**	(2,098)
		117,497	96,027
		HK cents	HK cents
Earnings per share			
Basic	9	**8**	8
Diluted	9	**8**	8

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Non-current assets			
Investment properties	10	**4,530**	4,530
Property, plant and equipment	11	**144,739**	130,381
Right-of-use assets	11	**92,179**	71,512
Deposits paid for acquisition of property, plant and equipment		**770**	–
Interests in associates	12	**526,788**	509,482
Deferred tax assets		**8,249**	5,787
		777,255	721,692
Current assets			
Inventories		**96,651**	79,781
Contract assets	13	**1,003,543**	1,004,492
Trade receivables	14	**676,503**	789,953
Other receivables, deposits and prepayments		**99,436**	95,203
Amount due from an associate	12	**–**	–
Amounts due from partners of joint operations		**10,667**	24,263
Derivative financial instruments		**–**	316
Tax recoverable		**14,866**	22,548
Pledged bank deposits		**15,261**	15,374
Bank balances and cash		**1,255,559**	1,116,105
		3,172,486	3,148,035
Current liabilities			
Trade and retention payables	15	**467,417**	460,168
Other payables and accrued expenses	16	**1,060,542**	1,105,467
Contract liabilities		**102,880**	106,181
Amounts due to partners of joint operations		**8,373**	2,300
Derivative financial instruments		**781**	–
Lease liabilities		**32,513**	28,598
Contingent consideration payables	18	**117,174**	77,009
Tax payable		**38,516**	12,071
		1,828,196	1,791,794
Net current assets		**1,344,290**	1,356,241
Total assets less current liabilities		**2,121,545**	2,077,933

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Capital and reserves			
Share capital	17	**14,000**	14,000
Reserves		**1,979,129**	1,959,632
Total equity		**1,993,129**	1,973,632
Non-current liabilities			
Lease liabilities		**59,105**	42,306
Deferred tax liabilities		**18,282**	14,764
Deferred income		**2,298**	2,432
Contingent consideration payables	18	**48,731**	44,799
		128,416	104,301
		2,121,545	2,077,933

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Property revaluation reserve HK$'000	Translation reserve HK$'000	Other reserves HK$'000 (Note a)	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000 (Restated) (Note b)	Total HK$'000
At 1 January 2020 (audited)	14,000	358,704	5	32,272	(28,913)	17,049	1,368,687	1,761,804	–	1,761,804
Profit for the period	–	–	–	–	–	–	106,878	106,878	(2,098)	104,780
Other comprehensive expense for the period	–	–	–	(615)	(8,138)	–	–	(8,753)	–	(8,753)
Total comprehensive income for the period	–	–	–	(615)	(8,138)	–	106,878	98,125	(2,098)	96,027
Acquisition of a subsidiary (Note 24)	–	–	–	–	–	–	–	–	94,865	94,865
Transfer to other reserves	–	–	–	–	–	1	(1)	–	–	–
Dividends recognised as distribution (Note 8)	–	–	–	–	–	–	(70,980)	(70,980)	–	(70,980)
At 30 June 2020 (unaudited)	14,000	358,704	5	31,657	(37,051)	17,050	1,404,584	1,788,949	92,767	1,881,716
At 1 January 2021 (audited)	**14,000**	**358,704**	**5**	**28,199**	**10,098**	**17,050**	**1,545,576**	**1,973,632**	**–**	**1,973,632**
Profit for the period	–	–	–	–	–	–	**112,526**	**112,526**	–	**112,526**
Other comprehensive income for the period	–	–	–	**438**	**4,533**	–	–	**4,971**	–	**4,971**
Total comprehensive income for the period	–	–	–	**438**	**4,533**	–	**112,526**	**117,497**	–	**117,497**
Transfer to other reserves	–	–	–	–	–	**1**	**(1)**	–	–	–
Dividends recognised as distribution (Note 8)	–	–	–	–	–	–	**(98,000)**	**(98,000)**	–	**(98,000)**
At 30 June 2021 (unaudited)	**14,000**	**358,704**	**5**	**28,637**	**14,631**	**17,051**	**1,560,101**	**1,993,129**	**–**	**1,993,129**

Notes:

(a) Other reserves represent legal reserves of subsidiaries in Macau Special Administrative Region ("Macau") and statutory reserves of subsidiaries in the People's Republic of China ("PRC").

As stipulated by the relevant laws and regulations for enterprises in the PRC, the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out of at least 10% of profit after taxation as reflected in the statutory financial statements of the relevant PRC subsidiaries while the amounts and allocation basis are decided by their board of directors annually. The appropriation to statutory surplus reserve may cease if the balance of the statutory surplus reserve has reached 50% of the relevant PRC subsidiaries' registered capital. The statutory surplus reserves can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

In accordance with provision of the Macau Commercial Code, the subsidiaries incorporated in Macau are required to transfer a minimum of 25% of the profit after taxation as reflected in the statutory financial statements of the relevant subsidiaries each year to the legal reserve until the balance has reached 50% of the respective subsidiaries' registered capital. The legal reserve is not distributable to shareholders of the subsidiaries.

(b) On 31 March 2020, the Group acquired 51% of equity interests in Transel Elevator & Electric Inc. ("TEI"). As at 30 June 2020, the process of allocating the purchase price for the acquisition of TEI has not been completed. The preliminary purchase price allocation, which was based on preliminary appraisals and other estimates by management was used in the preparation of the condensed consolidated financial statements for the six months ended 30 June 2020.

During the year ended 31 December 2020, the Group made certain fair value adjustments, with reference to the finalised independent valuation, to the carrying amounts of the identifiable assets and liabilities of TEI as a result of completing the initial accounting. The adjustments to the fair values at the acquisition date of the identifiable net assets were made as if initial accounting had been completed on the acquisition date. Following the finalisation of purchase price allocation, the non-controlling interests acquired at the acquisition date was adjusted to approximately HK$94,865,000.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021	2020
		HK$'000	HK$'000
		(Unaudited)	(Unaudited)
Operating cash flows before movements in working capital		**102,942**	144,622
Increase in inventories		**(24,447)**	(12,863)
Decrease (increase) in contract assets		**1,806**	(158,387)
Decrease in trade receivables		**110,580**	277,840
(Increase) decrease in other receivables, deposits and prepayments		**(97)**	4,149
Increase (decrease) in trade and retention payables		**7,366**	(112,684)
(Decrease) increase in other payables and accrued expenses		**(46,686)**	39,080
(Decrease) increase in contract liabilities		**(3,327)**	44,361
Decrease in deferred income		**(134)**	(134)
Cash generated from operations		**148,003**	225,984
Tax refunded (paid)		**10,322**	(42,084)
Net cash generated from operating activities		**158,325**	183,900
Bank interest income received		**1,703**	4,051
Investment income received from financial assets at fair value through profit or loss		**–**	290
Proceeds on disposals of property, plant and equipment		**136**	283
Payments for rental deposits		**(3,879)**	(134)
Additions of property, plant and equipment		**(29,232)**	(11,602)
Deposits paid for acquisition of property, plant and equipment		**(770)**	(1,874)
Release of pledged bank deposits		**216**	201,730
Proceed on disposal of interest in an associate		**94,207**	17,385
Proceeds on dissolution of an associate		**–**	11,166
Advance to an associate		**–**	(1,696)
Payment for acquisition of a subsidiary	24	**–**	(70,606)
Repayments from partners of joint operations		**13,596**	33,405
Dividend received from an associate		**14,841**	–
Net cash generated from investing activities		**90,818**	182,398

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Finance costs paid	**(2,485)**	(1,976)
Repayment of lease liabilities	**(16,686)**	(10,502)
Repayment of bank borrowings	**–**	(54,858)
Other loan raised	**–**	76,816
Repayment to a former shareholder of a subsidiary	**–**	(162)
Dividends paid to owners of the Company	**(98,000)**	(70,980)
Advances from partners of joint operations	**6,073**	–
Repayments to partners of joint operations	**–**	(258)
Net cash used in financing activities	**(111,098)**	(61,920)
Net increase in cash and cash equivalents	**138,045**	304,378
Cash and cash equivalents at the beginning of the period	**1,116,105**	686,450
Effect of foreign exchange rate changes	**1,409**	(967)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**1,255,559**	989,861

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

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 with the applicable disclosure requirements of Appendix 16 to 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, contingent consideration payables and financial instruments which are measured at revalued amounts or fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group has early applied the Amendment to HKFRS 16 *COVID-19-Related Rent Concessions beyond 30 June 2021*.

The application of the amendments to HKFRSs 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 these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

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	
	2021 HK$'000 (Unaudited)	2020 HK$'000 (Unaudited)
Timing of revenue recognition and category of revenue		
Recognised over time and long-term contracts		
Contracting work	**1,789,242**	1,915,432
Maintenance work	**472,341**	474,794
	2,261,583	2,390,226
Recognised at a point in time and short-term contracts		
Sales of goods	**72,035**	50,824
	2,333,618	2,441,050
Geographical information		
Hong Kong	**2,070,731**	1,870,783
Mainland China	**76,138**	52,484
Macau	**173,390**	313,948
United States of America ("USA")	**1,519**	195,977
Others	**11,840**	7,858
	2,333,618	2,441,050

(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 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Contracting work	**9,321,669**	9,324,630
Maintenance work	**2,391,351**	2,244,248
Sales of goods	**156,925**	278,604
	11,869,945	11,847,482

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

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 (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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Reconciliation of segment revenue

For the six months ended 30 June 2021 (Unaudited)

	Building services HK$'000	**Environmental engineering HK$'000**	**ICBT HK$'000**	**Lifts and escalators HK$'000**	**Total HK$'000**
Revenue					
– Contracting work	**1,275,944**	**269,669**	**165,156**	**78,473**	**1,789,242**
– Maintenance work	**136,399**	**199,530**	**51,511**	**84,901**	**472,341**
– Sales of goods	**4,371**	**41,990**	**9,590**	**16,084**	**72,035**
Total revenue	**1,416,714**	**511,189**	**226,257**	**179,458**	**2,333,618**

For the six months ended 30 June 2020 (Unaudited)

	Building services HK$'000	Environmental engineering HK$'000	ICBT HK$'000	Lifts and escalators HK$'000	Total HK$'000
Revenue					
– Contracting work	1,235,150	316,943	174,644	188,695	1,915,432
– Maintenance work	112,589	150,382	59,763	152,060	474,794
– Sales of goods	2,722	31,441	6,858	9,803	50,824
Total revenue	1,350,461	498,766	241,265	350,558	2,441,050

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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 2021 (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	1,416,714	511,189	226,257	179,458	–	2,333,618
– inter-segment	3,028	–	18,387	2,995	(24,410)	–
Total revenue	1,419,742	511,189	244,644	182,453	(24,410)	2,333,618
Segment profit	15,536	24,777	9,591	54,725	–	104,629
Share of results of an associate						15,189
Bank interest income						1,703
Finance costs						(2,485)
Unallocated income						65,693
Unallocated expenses						(47,566)
Profit before tax						137,163
Income tax expense						(24,637)
Profit for the period						112,526
Other segment information						
Depreciation of property, plant and equipment	933	885	600	2,211	10,085	14,714
Depreciation of right-of-use assets	3,852	728	2,055	827	10,967	18,429
Impairment losses under expected credit loss model, net of reversal	(8,597)	1,258	293	9,871	–	2,825
(Gain) loss on disposal of property, plant and equipment	(125)	53	–	(4)	5	(71)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the six months ended 30 June 2020 (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	1,350,461	498,766	241,265	350,558	–	2,441,050
– inter-segment	1,844	–	16,763	598	(19,205)	–
Total revenue	1,352,305	498,766	258,028	351,156	(19,205)	2,441,050
Segment profit	52,455	15,753	30,562	16,693	–	115,463
Share of results of an associate						10,641
Bank interest income						4,051
Finance costs						(1,976)
Unallocated income						16,141
Unallocated expenses						(21,414)
Profit before tax						122,906
Income tax expense						(18,126)
Profit for the period						104,780
Other segment information						
Depreciation of property, plant and equipment	1,547	781	577	2,483	8,656	14,044
Depreciation of right-of-use assets	4,855	633	2,433	2,522	504	10,947
Impairment losses under expected credit loss model, net of reversal	(5,222)	840	(465)	(411)	–	(5,258)
(Gain) loss on disposal of property, plant and equipment	(151)	–	–	23	(30)	(158)
Gain on derecognition of right-of-use assets and lease liabilities	(154)	–	–	–	–	(154)
Amortisation of intangible assets	–	–	–	14,128	–	14,128

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, certain other income, certain other gains and losses and share of results of an associate. 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

4. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Loss from change in fair value of contingent consideration payables (Note 18)	**(44,097)**	(4,960)
Gain on disposal of interest in an associate (Note 12)	**63,246**	13,974
Gain on disposals of property, plant and equipment	**71**	158
Gain on derecognition of right-of-use assets and lease liabilities	**–**	154
Net exchange gains	**55**	757
Loss from change in fair value of investment properties	**–**	(40)
Loss from change in fair value of financial assets at fair value through profit or loss	**–**	(3,128)
	19,275	6,915

5. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Interest expenses on bank borrowings	**–**	23
Interest expenses on lease liabilities	**2,397**	1,504
Interest expenses on other loan	**–**	190
Interest expenses on amount due to a former shareholder of a subsidiary	**–**	33
Imputed interest expenses on reinstatement costs	**42**	–
Ancillary costs in respect of banking facilities	**46**	226
	2,485	1,976

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong	**12,376**	17,328
Macau	**1,546**	3,399
PRC Enterprise Income Tax	**10,983**	1,736
USA Federal Income Tax	**–**	1,358
USA State Income Tax	**2**	429
	24,907	24,250
(Over) under provision in prior years		
Hong Kong	**18**	(2,476)
Macau	**(1,195)**	51
	(1,177)	(2,425)
Deferred tax	**907**	(3,699)
	24,637	18,126

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

6. INCOME TAX EXPENSE (CONTINUED)

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 the six months ended 30 June 2021 and 30 June 2020.

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 Mainland of China 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. During the six months ended 30 June 2021, 5% and 10% withholding tax rates were used for the Company's subsidiaries and the Group's associate, respectively (six months ended 30 June 2020: 5%). A provision for dividend withholding tax of approximately HK$5,393,000 (unaudited) (six months ended 30 June 2020: HK$59,000 (unaudited)) was charged to profit or loss for the six months ended 30 June 2021. During the six months ended 30 June 2021, withholding tax of approximately HK$1,484,000 (unaudited) (six months ended 30 June 2020: Nil (unaudited)) was paid by the Group. The above resulted in a net provision for dividend withholding tax of approximately HK$3,909,000 (unaudited) (six months ended 30 June 2020: HK$59,000 (unaudited)) charged to profit or loss for the six months ended 30 June 2021.

During the six months ended 30 June 2020, the Group's USA subsidiary, TEI, was subject to USA corporate tax representing 21% of the applicable USA Federal Income Tax rate and an average income tax rate of 12.975% for State of New York, State of New Jersey and New York City jurisdictions for its operations in the USA. On 10 August 2020, the Group disposed of 2% of equity interests in TEI and upon the disposal, TEI became an associate of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Staff costs (including directors' remuneration) (Note):		
– Directors' remuneration	**12,843**	16,210
– Salaries and other benefits	**538,112**	580,175
– Retirement benefit scheme contributions (excluding directors)	**24,941**	22,833
	575,896	619,218
Cost of inventories recognised as expenses (included in cost of sales and services)	**109,510**	108,562
Depreciation of property, plant and equipment	**14,714**	14,044
Depreciation of right-of-use assets	**18,429**	10,947
Amortisation of intangible assets	**–**	14,128
Write-down of inventories, net	**7,119**	1,410
Inventories written off	**841**	–
Loss from change in fair value of derivative financial instruments	**1,097**	203
Rental income from investment properties	**(73)**	(68)
Less: direct operating expenses incurred for investment properties that generated rental income during the period	**8**	8
	(65)	(60)
Auditor's remuneration	**2,547**	2,127

Note: During the six months ended 30 June 2021, the Group recognised government grants of approximately HK$541,000 (unaudited) (six months ended 30 June 2020: HK$11,813,000 (unaudited)) in respect of COVID-19 related subsidies, of which Nil (six months ended 30 June 2020: approximately HK$8,817,000 (unaudited)) relates to Employment Support Scheme provided by the Hong Kong government and was credited to cost of sales and services and administrative expenses.

Included in the share of results of associates for the six months ended 30 June 2021, approximately HK$37,640,000 (unaudited), is related to the share of USA government grants in respect of the Paycheck Protection Program ("PPP") loan forgiveness received by TEI. With the inclusion of this PPP loan forgiveness, the profit before tax of TEI for the period from 1 July 2020 to 30 June 2021 exceeds its target performance and thus resulted in "loss from change in fair value of contingent consideration payables" by approximately HK$33,415,000 (unaudited), part of HK$44,097,000 (unaudited), which is included in other gains and losses.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

8. DIVIDENDS

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

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
2020 second interim – HK7 cents (2020: 2019 second interim dividend HK5.07 cents) per share	**98,000**	70,980

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK4.02 cents per share amounting to HK$56,280,000 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 15 September 2021.

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of calculating basic earnings per share (profit for the period attributable to the owners of the Company)	**112,526**	106,878
Effect of dilutive potential ordinary shares:		
Adjustment to the share of profit of an associate based on dilution of its earnings per share	**(610)**	–
Earnings for the purpose of calculating diluted earnings per share	**111,916**	106,878
Number of ordinary shares		
Number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**1,400,000,000**	1,400,000,000

During the six months ended 30 June 2021, the earnings for the purpose of calculating diluted earnings per share are adjusted for any changes in the Group's share of results of an associate that is 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.

Diluted earnings per share for the six months ended 30 June 2020 are the same as the basic earnings per share as there were no dilutive potential ordinary shares outstanding.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

10. INVESTMENT PROPERTIES

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
FAIR VALUE		
At beginning of the period/year	**4,530**	4,900
Change in fair value	**–**	(370)
At end of the period/year	**4,530**	4,530

The fair value of the Group's investment properties in Hong Kong as at 30 June 2021 and 31 December 2020 has been arrived at on the basis of a valuation carried out on the respective dates by Jones Lang LaSalle Corporate Appraisal and Advisory Limited. Jones Lang LaSalle Corporate Appraisal and Advisory Limited is a member of the Hong Kong Institute of Surveyors having appropriate qualifications and recent experience in valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, is arrived at direct comparison method by reference to market evidence of transaction prices for similar properties in the same locations and conditions, and on the assumption that the Group's current use of its building in Hong Kong is at its highest and best use. There has been no changes from the valuation technique used in prior period.

The Group's investment properties in Hong Kong for rental purpose are measured by using the fair value model and are classified and accounted for as investment properties. The rental income earned by the Group from the investment properties for the six months ended 30 June 2021 amounted to approximately HK$73,000 (unaudited) (six months ended 30 June 2020: HK$68,000 (unaudited)). The investment properties have been pledged to secure general banking facilities granted to certain subsidiaries of the Company for both periods.

11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group incurred approximately HK$28,439,000 (unaudited) (six months ended 30 June 2020: HK$7,240,000 (unaudited)) on the acquisition of property, plant and equipment.

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from two to six years. On lease commencement, the Group recognised right-of-use assets of approximately HK$37,404,000 (unaudited) (six months ended 30 June 2020: HK$42,714,000 (unaudited)) and lease liabilities of approximately HK$37,404,000 (unaudited) (six months ended 30 June 2020: HK$42,714,000 (unaudited)).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

12. INTERESTS IN ASSOCIATES/AMOUNT DUE FROM AN ASSOCIATE

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Investment cost		
Listed outside Hong Kong (Note i)	**100,066**	116,606
Unlisted	**240,840**	240,840
Share of post-acquisition profits and other comprehensive income, net of dividends received	**185,882**	152,036
Interests in associates	**526,788**	509,482
Fair value of listed investment	**904,915**	942,663
Amount due from an associate (Note ii)	**96,575**	96,575
Less: Share of post-acquisition losses in excess of the cost of investment	**(96,575)**	(96,575)
	–	–

Notes:

(i) During the current interim period, the Group disposed of 3% of its shareholding in Nanjing Canatal Data-Centre Environmental Tech Company Ltd. ("NCA") at an aggregate consideration of approximately RMB81,013,000 (unaudited) (equivalent to approximately HK$97,388,000 (unaudited)). The net proceeds from the disposal amounted to approximately RMB78,363,000 (unaudited) (equivalent to approximately HK$94,207,000 (unaudited)), net of transaction cost of approximately RMB2,650,000 (equivalent to approximately HK$3,181,000 (unaudited)). As a result of the disposal, the Group's interest in NCA decreased from 25.44% as at 31 December 2020 to 22.44% as at 30 June 2021, and a gain on disposal of approximately HK$63,246,000 (unaudited) was recognised for the six months ended 30 June 2021.

During the six months ended 30 June 2020, the Group disposed of 0.37% of its shareholding in NCA at an aggregate consideration of approximately RMB16,743,000 (unaudited) (equivalent to approximately HK$18,106,000 (unaudited)). The net proceeds from the disposal amounted to approximately RMB16,077,000 (unaudited) (equivalent to approximately HK$17,385,000 (unaudited)), net of transaction cost of approximately RMB666,000 (equivalent to approximately HK$721,000 (unaudited)). The Group recognised a gain on disposal of approximately HK$13,974,000 (unaudited) for the six months ended 30 June 2020. As a result of the disposal, the Group's interest in NCA decreased from 25.81% as at 31 December 2019 to 25.44% as at 30 June 2020.

(ii) As at 30 June 2021, the amount due from Oscar Bioenergy Joint Venture ("OBJV"), before the Group's share of post-acquisition losses, of approximately HK$96,575,000 (unaudited) (31 December 2020: HK$96,575,000 (audited)), in which approximately HK$13,000,000 (unaudited) (31 December 2020: HK$13,000,000 (audited)) carries interest at Hong Kong Interbank Offered Rate ("HIBOR") plus 1.1% (31 December 2020: HIBOR plus 1.1%) per annum, non-trade nature, unsecured and repayable by October 2022, the remaining balance of approximately HK$83,575,000 (unaudited) (31 December 2020: HK$83,575,000 (audited)) is non-trade nature, unsecured non-interest bearing and repayable on demand. The directors of the Company consider the amount due from OBJV are unlikely to be repaid in the foreseeable future and forms part of the net investment in OBJV as at 30 June 2021 and 31 December 2020. OBJV is in the form of unincorporated and the Group has obligation to share its losses and therefore, the Group has shared post-acquisition losses that are in excess of the cost of investment amounting to approximately HK$96,575,000 (unaudited) (31 December 2020: HK$96,575,000 (audited)) as at 30 June 2021.

As at 30 June 2021, the amount due from OBJV of approximately HK$13,852,000 (unaudited) (31 December 2020: HK$13,852,000 (audited)) is trading in nature, unsecured, non-interest bearing and repayable on demand. The directors of the Company consider the amount is unlikely to be repaid in the foreseeable future and full impairment allowance has been made.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

13. CONTRACT ASSETS

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Contract assets	**1,016,565**	1,018,247
Less: allowances for credit losses	**(13,022)**	(13,755)
	1,003,543	1,004,492

As at 30 June 2021, contract assets include retention receivables of approximately HK$327,192,000 (unaudited) (31 December 2020: HK$334,585,000 (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 retention period of the respective construction contract. The Group did not have any retention receivables that were past due but not impaired at the end of the reporting period.

The changes in contract assets are due to i) adjustments arising from changes in the measure of progress of contracting work, or ii) reclassification to trade receivables when the Group has unconditional right to the consideration.

Details of the allowances for credit losses are set out in Note 14.

14. TRADE RECEIVABLES

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Trade receivables	**667,345**	754,676
Less: allowances for credit losses	**(66,131)**	(62,059)
	601,214	692,617
Unbilled revenue (Note)	**73,416**	93,042
Bills receivables	**1,873**	5,261
Less: allowances for credit losses	**–**	(967)
	1,873	4,294
	676,503	789,953

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 received within 12 months from the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

14. TRADE RECEIVABLES (CONTINUED)

As at 30 June 2021, the Group's bills receivables are of age within six months (31 December 2020: one year).

The Group generally allows credit period ranging from 14 to 90 days. The Group will assess 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 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
0 – 30 days	**361,149**	472,311
31 – 90 days	**178,614**	135,626
91 – 360 days	**59,698**	74,691
Over 1 year	**1,753**	9,989
Total	**601,214**	692,617

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

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually. 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 2021, the Group recognised impairment allowance of approximately HK$19,652,000 (unaudited) (six months ended 30 June 2020: HK$14,135,000 (unaudited)) and reversed impairment allowance of approximately HK$10,325,000 (unaudited) (six months ended 30 June 2020: HK$11,029,000 (unaudited)) for not credit-impaired trade receivables, based on the collective assessment. Impairment allowance of approximately HK$11,646,000 (unaudited) (six months ended 30 June 2020: HK$8,052,000 (unaudited)) was made and approximately HK$17,410,000 (unaudited) (six months ended 30 June 2020: HK$30,059,000 (unaudited)) was reversed on credit-impaired trade receivables. During the six months ended 30 June 2021, trade debtors with gross carrying amount of approximately HK$12,254,000 (unaudited) (six months ended 30 June 2020: Nil (unaudited)) became credit-impaired and therefore, approximately HK$12,254,000 (unaudited) (six months ended 30 June 2020: Nil (unaudited)) lifetime ECL was transferred from not credit-impaired to credit-impaired.

During the six months ended 30 June 2021, the Group recognised a net reversal of provision for contract assets of approximately HK$738,000 (unaudited) (six months ended 30 June 2020: a provision of HK$13,643,000 (unaudited)), based on the collective assessment.

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For the six months ended 30 June 2021

15. TRADE AND RETENTION PAYABLES

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Trade payables	**272,909**	273,480
Trade accruals	**60,171**	50,655
Retention payables	**134,337**	134,159
Bills payables	**–**	1,874
	467,417	460,168

As at 31 December 2020, the Group's bills payables were due within six months.

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 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
0 – 30 days	**148,001**	157,990
31 – 90 days	**48,912**	62,975
91 – 360 days	**49,744**	20,210
Over 1 year	**26,252**	32,305
	272,909	273,480

16. OTHER PAYABLES AND ACCRUED EXPENSES

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Accrued staff costs	**124,406**	148,163
Accrued contract costs	**888,064**	919,359
Others	**48,072**	37,945
	1,060,542	1,105,467

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

17. SHARE CAPITAL

	Number of shares	Number of value per share	Share capital	Presented as HK$'000
Authorised:				
At 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	**100,000,000,000**	**HK$0.01**	**HK$1,000,000,000**	
Issued and fully paid:				
At 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	**1,400,000,000**	**HK$0.01**	**HK$14,000,000**	**14,000**

18. CONTINGENT CONSIDERATION PAYABLES

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Current	**117,174**	77,009
Non-current	**48,731**	44,799
Total	**165,905**	121,808

On 31 March 2020, the Group acquired 51% equity interests in TEI for an aggregate consideration of US$35.70 million (equivalent to approximately HK$278.46 million) as set out in Note 24. Out of the aggregate consideration of US$35.70 million (equivalent to approximately HK$278.46 million), US$17.85 million (equivalent to approximately HK$139.23 million) was paid in cash upon the completion of the acquisition. The remaining consideration of US$17.85 million (equivalent to approximately HK$139.23 million) (the "Deferred Payments") will be deferred and adjusted based on the actual performance of TEI for the pre-determined periods, varies from 0% to 140% of the Deferred Payments.

The Deferred Payments are payable as follows:

(i) US$10.71 million (equivalent to approximately HK$83.54 million) (subject to adjustment) will be paid to the Sellers within 5 business days after the final determination of the first deferral payment, which will be calculated based on actual performance of TEI for the period from 1 July 2020 to 30 June 2021 (the "First Deferral Payment"); and

(ii) US$7.14 million (equivalent to approximately HK$55.69 million) (subject to adjustment) will be paid to the Sellers within 5 business days after the final determination of the second deferral payment, which will be calculated based on actual performance of TEI for the period from 1 July 2021 to 30 June 2022 (the "Second Deferral Payment").

At the date of initial recognition, the fair value of the contingent consideration payables amounted to approximately HK$109,000,000 (audited), representing the estimated fair value of the First Deferral Payment and Second Deferral Payment.

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For the six months ended 30 June 2021

18. CONTINGENT CONSIDERATION PAYABLES (CONTINUED)

The contingent consideration payables are measured at fair value at the end of the reporting period, with changes in fair value recognised in profit or loss. As at 30 June 2021, the fair value of the deferred consideration payables amounted to approximately HK$165,905,000 (unaudited) (31 December 2020: HK$121,808,000 (audited)), in which approximately HK$117,174,000 (unaudited) (31 December 2020: HK$77,009,000 (audited)) will be due within 12 months from the end of the reporting period and classified as current liabilities.

	HK$'000
As at 31 March 2020 (date of initial recognition)	109,000
Loss on change in fair value	12,808
As at 31 December 2020 and 1 January 2021	**121,808**
Loss on change in fair value	**44,097**
As at 30 June 2021	**165,905**

The details of the fair value measurement of the contingent consideration payable are set in Note 20.

19. PLEDGE OF ASSETS

At the end of the reporting period, the Group pledged the following assets of the Group to secure general banking facilities granted to the Group:

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Properties	**65,600**	65,600
Investment properties	**4,530**	4,530
Bank deposits	**15,261**	15,374
	85,391	85,504

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For the six months ended 30 June 2021

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis

Certain of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. Information about how the fair value of these financial assets and financial liabilities are determined including valuation technique and key input as well as the level of fair value hierarchy of which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements are observable is listed below.

Financial assets/liabilities	Fair value As at 30 June 2021 HK$'000 (Unaudited)	Fair value As at 31 December 2020 HK$'000 (Audited)	Fair value hierarchy	Valuation technique and key input
Derivative financial (liabilities) assets	**(781)**	316	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Contingent consideration payables (Note 18)	**165,905**	121,808	Level 3	Discounted cash flow. Discounted cash flow method was used to capture the present value of the expected future economic benefits will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate (Note).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis (Continued)

Note: Significant unobservable inputs

(i) Discount rate of 16%

An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the contingent consideration payables and vice versa. If discount rate increases from 16% to 17% (decreases from 16% to 15%), while all other variables keep constant, would decrease the fair value of contingent consideration payables by approximately HK$417,000 (unaudited) (increase by HK$424,000 (unaudited)). As at 31 December 2020, if discount rate increased from 16% to 17% (decreases from 16% to 15%), while all other variables keep constant, would decrease the fair value of contingent consideration payables by approximately HK$902,000 (audited) (increase by HK$919,000 (audited)).

(ii) Probability-adjusted profits, with a range from approximately US$7,140,000 (equivalent to approximately HK$55,692,000) to US$8,211,000 (equivalent to approximately HK$64,045,800) (31 December 2020: Probability-adjusted profits, with a range from approximately US$5,712,000 (equivalent to approximately HK$44,554,000) to US$12,852,000 (equivalent to approximately HK$100,246,000))

An increase in the probability-adjusted profits used in isolation would result in an increase in the fair value measurement of the contingent consideration payables and vice versa. A 5% increase (5% decrease) in the probability-adjusted profits, while all other variables keep constant, would increase the fair value of contingent consideration payables by approximately HK$2,437,000 (unaudited) (decrease by HK$2,437,000 (unaudited)). As at 31 December 2020, a 5% increase (5% decrease) in the probability adjusted profits, while all other variables keep constant, would increase the fair value of contingent consideration payables by approximately HK$6,079,000 (audited) (decrease by HK$6,079,000 (audited)).

There were no transfers between Level 1 or 2 during both periods.

As at 30 June 2021, the only financial liability subsequently measured at fair value on Level 3 fair value measurement represents contingent consideration payables relating to the acquisition of TEI (Note 24). During the six months ended 30 June 2021, a loss from change in fair value of approximately HK$44,097,000 (unaudited) (six months ended 30 June 2020: HK$4,960,000 (unaudited)) relating to this contingent consideration payables has been recognised in profit or loss.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values based on discounted cash flows analysis.

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For the six months ended 30 June 2021

21. PERFORMANCE BONDS

As at 30 June 2021, the Group had outstanding performance bonds of approximately HK$390,941,000 (unaudited) (31 December 2020: HK$468,750,000 (audited)), given by banks in favor 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.

22. RELATED PARTY TRANSACTIONS

(a) Details of the balances with the related parties are disclosed in the condensed consolidated statement of financial position on pages 17 to 18. The Group entered into the following transactions with related parties during the respective reporting period:

			Six months ended 30 June	
Name of related company	**Relationship**	**Nature of transactions**	**2021 HK$'000 (Unaudited)**	2020 HK$'000 (Unaudited)
OBJV	Associate	Sales	**2,643**	4,155
OBJV	Associate	Interest income	**146**	–
Perfect Motive Limited ("Perfect Motive")	Related party (Note)	Repayment of lease liabilities/ short-term lease expenses	**8,100**	8,722
Perfect Motive	Related party (Note)	Direct expenses recharge	**285**	301
TEI	Associate	Sales	**1,519**	–

Note: Perfect Motive is a subsidiary of Arling Investment Limited, the Company's immediate holding company.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2021 and 2020 are set out in Note 7.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

23. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following commitments contracted but not provided in the condensed consolidated financial statements.

	As at 30 June 2021 HK$'000 (Unaudited)	As at 31 December 2020 HK$'000 (Audited)
Enterprise resources planning system	**145**	116
Expanding existing manufacturing facilities	**18,710**	554
Human resources management system	**–**	10
Office renovation and reinstatement	**–**	1,736
	18,855	2,416

24. ACQUISITION OF A SUBSIDIARY

On 31 March 2020, a wholly-owned subsidiary of the Company entered into a stock purchase agreement (the "Agreement") with six independent individuals (the "Sellers"), to purchase 34 issued shares of TEI, representing 51% of the equity interests in TEI for an aggregate consideration of US$35.70 million (equivalent to approximately HK$278.46 million). TEI is a corporation incorporated in New York that is principally engaged in the business of providing new construction, modernisation, repair and maintenance services in the vertical transportation sector for both residential and commercial real estate customers. The above acquisition had been completed on 31 March 2020 and accounted for as acquisition of business using the acquisition method.

Consideration

	HK$'000
Cash (Note i)	139,230
Contingent consideration arrangement (Note ii)	109,000
	248,230

Notes:

(i) Out of the aggregate consideration of US$35.70 million (equivalent to approximately HK$278.46 million), US$17.85 million (equivalent to approximately HK$139.23 million) was paid in cash upon the completion of the acquisition.

(ii) Amount represented the estimated fair value of the First Deferral Payment and Second Deferral Payment on 31 March 2020.

Acquisition-related costs amounting to approximately HK$9,138,000 (unaudited) have been excluded from the consideration transferred and have been recognised directly as an expense when they are incurred. Acquisition-related costs amounting to approximately HK$5,545,000 (unaudited) have been recognised as an expense prior to the six months ended 30 June 2020. The remaining amounts of approximately HK$3,593,000 (unaudited) have been recognised in the six months ended 30 June 2020 within the "administrative expenses" line item in the condensed consolidated statement of profit or loss and other comprehensive income.

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24. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Assets and liabilities recognised at the date of acquisition

	HK$'000
Non-current assets	
Property, plant and equipment	5,692
Right-of-use assets	35,509
Intangible assets	134,480
Restricted cash	1,132
Deferred tax assets	460
Current assets	
Inventories	1,412
Contract assets	108,502
Trade receivables	273,946
Other receivables, deposits and prepayments	8,803
Bank balances and cash	68,624
Current liabilities	
Trade and retention payables	(104,495)
Other payables and accrued expenses	(45,641)
Contract liabilities	(138,770)
Lease liabilities	(6,568)
Bank borrowings	(55,652)
Tax payable	(4,746)
Amount due to a former shareholder	(656)
Amounts due to shareholders	(8,769)
Non-current liabilities	
Bank borrowings	(825)
Amount due to a former shareholder	(4,204)
Lease liabilities	(28,941)
Deferred tax liabilities	(45,690)
	193,603

In the opinion of the directors of the Company, the fair value of the receivables acquired (which principally comprised of trade and other receivables) approximated to the gross contractual amounts, net of allowances for credit losses, the best estimate at acquisition date of the contractual cash flows of the receivables expected to be collected.

Non-controlling interests

The non-controlling interests (49%) in TEI recognised at the acquisition date were measured by reference to the proportionate share of recognised amounts of net assets of TEI and amounted to approximately HK$94,865,000 (audited).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

24. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Goodwill arising on acquisition

	HK$'000
Consideration transferred	248,230
Plus: non-controlling interests (49% in TEI)	94,865
Less: recognised amounts of net assets acquired	(193,603)
Goodwill arising on acquisition	149,492

Goodwill arose on the acquisition of TEI because the acquisition will allow the Group to gain local presence, knowledge and more than 30 years' experience in the USA lifts and escalators market. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflows arising on acquisition of TEI

	HK$'000
Consideration paid in cash	139,230
Less: bank balances and cash acquired	(68,624)
	70,606

Goodwill arising on this acquisition is deductible for tax purpose.

Impact of acquisition on the results of the Group

Included in the profit for the six months ended 30 June 2020 is loss of approximately HK$4,281,000 contributed by TEI's operation. Revenue for the six months ended 30 June 2020 includes approximately HK$195,940,000 generated from TEI.

The pro-forma information provided in this paragraph is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2020, nor is it intended to be a projection of future results. Had the acquisition of TEI been completed on 1 January 2020, revenue for the six months ended 30 June 2020 of the Group would have been approximately HK$2,691,052,000 (unaudited), and the profit for the six months ended 30 June 2020 would have been approximately HK$123,294,000 (unaudited).

In determining the 'pro-forma' revenue and profit of the Group had TEI been acquired as at 1 January 2020, the directors of the Company calculated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets based on the recognised amounts of property, plant and equipment, right-of-use assets and intangible assets at the date of the acquisition.

Interim Dividend

The Board has declared an interim dividend of HK4.02 cents per share of the Company (the "Share(s)") for the reporting period (the "Interim Dividend") to 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, 15 September 2021. The Interim Dividend is expected to be paid to the shareholders of the Company (the "Shareholders") on or about Wednesday, 29 September 2021.

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, 14 September 2021 to Wednesday, 15 September 2021, both days inclusive, during which period no transfer of Shares will be registered. The Shares will be traded ex-dividend as from Friday, 10 September 2021. In order to be entitled to the Interim Dividend, 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Monday, 13 September 2021.

Other Information

INTERNATIONAL SANCTIONS

During the reporting period, the Group did not enter into any transactions with persons or entities that are currently subject to applicable laws and regulations related to economic sanctions, export controls, and trade embargoes, including those adopted, administered and enforced by the U. S. Government, the European Union and its member states, United Nations or the Government of Australia (the "International Sanctions"). Specifically, the Group did not enter into any transactions with: (i) person(s) or entities listed on the Office of Foreign Assets Control ("OFAC")'s Specially Designated Nationals and Blocked Persons List (the "SDN List"); (ii) entities on the U.S. Bureau of Industry and Security's Entity List (the "Entity List"), or (iii) person(s) or entities on other restricted party lists maintained by the United States, the European Union, the United Nations or Australia (the "Sanctioned Persons").

The risks management committee (sanctions risks) of the Company (the "Risk Management Committee (Sanctions Risks)") will continue to monitor and evaluate the Group's exposure to economic sanctions risks and take measures to comply with the Group's continuing undertakings to the Stock Exchange. The Group has implemented, among others, the following measures upon listing of the Shares on the Stock Exchange:

- The directors of the Company (the "Directors") will continuously monitor the use of any remaining proceeds from the global offering of the Company in 2019 to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, countries subject to International Sanctions or Sanctioned Persons where this would be in breach of International Sanctions; and

- The Board has established the Risk Management Committee (Sanctions Risks). The Risk Management Committee (Sanctions Risks) will hold at least two meetings each year to monitor the Group's exposure to sanctions risks. Further, the Risk Management Committee (Sanctions Risks) has written procedures that the Company has followed and will continue to follow whenever any business opportunity or transaction is presented that may pose any sanctions risk to the Group. If any potential sanctions risk is identified, the Company will seek advice from reputable external international legal counsel with necessary expertise and experience in International Sanctions matters.

The Directors are of the view that the measures adopted provide an adequate and effective internal control framework to assist the Group in identifying and monitoring any material risk relating to sanctions laws so as to protect the interests of the Shareholders and the Company.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company 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 two independent non-executive Directors and one non-executive Director. The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2021 and this report, and discussed financial related matters with the management and the external auditors of the Company.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2021 have been reviewed by the Company's external auditor, Deloitte Touche Tohmatsu, in accordance with 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.

Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance practices and procedures. The Company adopted the principles and code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as the basis of the Company's corporate governance practices.

During the reporting period, the Company has complied with all the code provisions set out in the Corporate Governance Code.

DIRECTORS' DEALINGS IN THE COMPANY'S SECURITIES

The Company adopted the securities dealing code on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code").

In response to specific enquiries made by the Company, all the Directors confirmed that they have complied with the required standards set out in the Model Code and the securities dealing code adopted by the Company during the reporting period.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the last published annual report up to the date of this report are set out below.

1) Dr. Poon Lok To, Otto was appointed as an Honorary Advisor of the Institution of Public Private Partnerships since 3 February 2021.

2) Dr. Mak Kin Wah was appointed as the Chairman of the English Schools Foundation in May 2021.

3) Mr. Lam Kin Fung, Jeffrey was appointed as an executive director of Hong Kong Aerospace Technology Group Limited (Stock Code: 1725), a company with its shares listed on the Stock Exchange, on 16 July 2021.

4) The salaries of the following Directors were increased with effect from 1 April 2021 as follows:

Name of Director	**Amount of new salary per month (HK$)**
Dr. Poon Lok To, Otto	214,810
Dr. Mak Kin Wah	142,800
Mr. Law Wei Tak	199,780
Mr. Chan Hoi Ming	176,350

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2021, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interests and/or short positions in the Company

Name of Director	Capacity/ Nature of interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 3)
Dr. Poon Lok To, Otto	Founder of a discretionary trust (Note 2)	888,650,000	63.48%
Mr. Law Wei Tak	Beneficial interest	52,500,000	3.75%

Notes:

1. All the above interests in the Shares are long positions.

2. Arling Investment Limited directly held 888,650,000 Shares, representing approximately 63.48% of the total issued share capital of the Company. Arling Investment Limited is wholly owned by Ardik Investment Limited which is in turn wholly owned by HSBC International Trustee Limited as trustee of a trust. Dr. Poon Lok To, Otto is the settlor and protector of the trust. Accordingly, Dr. Poon Lok To, Otto is deemed to be interested in the same number of Shares held by Arling Investment Limited under Part XV of SFO.

3. The percentage of shareholding is calculated on the basis of 1,400,000,000 Shares in issue as at 30 June 2021.

(ii) Interests and/or short positions in associated corporations of the Company

Name of Director	Capacity/ Nature of interest	Name of associated corporations (Note 2)	Number of shares held (Note 1)	Percentage of shareholding
Dr. Poon Lok To, Otto	Founder of a discretionary trust (Note 2)	Arling Investment Limited	2	100.00%
Dr. Poon Lok To, Otto	Founder of a discretionary trust (Note 2)	Wise Eagle Holdings Limited	8,463	84.63%
Mr. Law Wei Tak	Beneficial owner	Wise Eagle Holdings Limited	500	5.00%
Dr. Poon Lok To, Otto	Founder of a discretionary trust (Note 2)	Perfect Motive Limited	1	100.00%

Other Information

Notes:

1. All the above interests in the shares of Arling Investment Limited, Wise Eagle Holdings Limited and Perfect Motive Limited are long positions.

2. As at 30 June 2021, Arling Investment Limited owned approximately 63.48% of the total issued share capital of the Company. Arling Investment Limited also owned 8,463 shares of Wise Eagle Holdings Limited, representing 84.63% of the total issued share capital of Wise Eagle Holdings Limited, which in turn owned 1 share of Perfect Motive Limited, representing 100% of the issued share capital of Perfect Motive Limited. Accordingly, Arling Investment Limited, being the holding company of the Company; and Wise Eagle Holdings Limited and Perfect Motive Limited, being subsidiaries of Arling Investment Limited, are therefore associated corporations of the Company within the meaning of Part XV of the SFO. Arling Investment Limited is wholly owned by Ardik Investment Limited which is in turn wholly owned by HSBC International Trustee Limited as trustee of a trust. Dr. Poon Lok To, Otto is the settlor and protector of the trust. Accordingly, Dr. Poon Lok To, Otto is deemed to be interested in (i) the shares of Arling Investment Limited; and (ii) the shares of Wise Eagle Holdings Limited and Perfect Motive Limited in which Arling Investment Limited is deemed to be interested, under Part XV of the SFO.

Save as disclosed above, as at 30 June 2021, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated associations (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS/OTHER PERSON'S INTERESTS IN SECURITIES

As at 30 June 2021, the following persons (other than the Directors) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(i) Substantial Shareholders' (as defined in the Listing Rules) interests in securities

Name	Capacity/Nature of Interest	Number of Shares held (Note 1)	Approximate shareholding percentage (Note 3)
HSBC International Trustee Limited	Trustee of a discretionary trust (Note 2)	888,650,000	63.48%
Ardik Investment Limited	Interest of controlled corporation (Note 2)	888,650,000	63.48%
Arling Investment Limited	Beneficial owner	888,650,000	63.48%
Ms. Cheng Teresa Yeuk Wah ("Ms. Cheng")	Interest of Spouse (Note 2)	888,650,000	63.48%

Notes:

1. All the above interests in the Shares are long positions.

2. Arling Investment Limited directly held 888,650,000 Shares, representing approximately 63.48% of the total issued share capital of the Company. Arling Investment Limited is wholly owned by Ardik Investment Limited which is in turn wholly owned by HSBC International Trustee Limited as trustee of a trust. Dr. Poon Lok To, Otto is the settlor and protector of the trust. Accordingly, each of Ardik Investment Limited, HSBC International Trustee Limited and Dr. Poon Lok To, Otto is deemed to be interested in the 888,650,000 Shares held by Arling Investment Limited under Part XV of the SFO. As Ms. Cheng is the spouse of Dr. Poon Lok To, Otto, Ms. Cheng is deemed to be interested in the same number of Shares that Dr. Poon Lok To, Otto is interested in under Part XV of the SFO. According to section 316(1)(a) of the SFO, Ms. Cheng is deemed to be interested in any voting shares in a Hong Kong listed company in which her spouse is interested. Accordingly, Ms. Cheng is taken to be interested in 888,650,000 Shares, while Ms. Cheng does not have any legal or beneficial ownership or financial interests in any of the Shares, directly or indirectly. It follows that Ms. Cheng does not have any rights to the Shares, has no rights to dividend, has no rights to vote and has no rights to deal in respect of the Shares.

3. The percentage of shareholding is calculated on the basis of 1,400,000,000 Shares in issue as at 30 June 2021.

(ii) Other person's interests in securities

Name	Capacity/Nature of Interest	Number of Shares held (Note 1)	Approximate shareholding percentage (Note 3)
Mr. Webb David Michael ("Mr. Webb")	Interest of controlled corporation (Note 2)	98,242,000	7.01%

Notes:

1. All the above interests in the Shares are long positions.

2. Mr. Webb is personally interested in 39,992,800 Shares. Preferable Situation Assets Limited (a company 100% controlled by Mr. Webb) is interested in 58,249,200 Shares. Accordingly, Mr. Webb is deemed to be interested in the 58,249,200 Shares owned by Preferable Situation Assets Limited by virtue of Part XV of the SFO.

3. The percentage of shareholding is calculated on the basis of 1,400,000,000 Shares in issue as at 30 June 2021.

Save as disclosed above, as at 30 June 2021, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed in the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME AND SHARE AWARD SCHEMES

The share option scheme of the Company (the "Share Option Scheme") was adopted by written resolutions of shareholders on 14 September 2018 and came into effect on 12 July 2019, the date on which the Shares first listed on the Stock Exchange. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as defined in the Share Option Scheme as incentives or rewards for their contribution to the Group. No share option was granted, exercised, cancelled or lapsed under the Share Option Scheme during the reporting period nor remained outstanding as at 30 June 2021.

The share award schemes of the Company (the "Share Award Schemes") were adopted on 27 November 2020 ("SAS Adoption Date"). The purpose of adoption of Share Award Schemes is to retain and attract talents for the Group. No Share has ever been granted or awarded since the SAS Adoption Date up to 30 June 2021.

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 during the reporting period.

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Dr. Poon Lok To, Otto *(Chairman)*
Mr. Law Wei Tak
Mr. Chan Hoi Ming

Non-executive Director
Dr. Mak Kin Wah *(Deputy Chairman)*

Independent non-executive Directors
Mr. Chan Fu Keung
Mr. Lam Kin Fung, Jeffrey
Mr. Wong King On, Samuel

AUDIT COMMITTEE

Mr. Wong King On, Samuel *(Chairman)*
Mr. Chan Fu Keung
Dr. Mak Kin Wah

REMUNERATION COMMITTEE

Mr. Chan Fu Keung *(Chairman)*
Mr. Wong King On, Samuel
Dr. Mak Kin Wah

NOMINATION COMMITTEE

Mr. Lam Kin Fung, Jeffrey *(Chairman)*
Mr. Chan Fu Keung
Mr. Wong King On, Samuel
Dr. Mak Kin Wah

COMPANY SECRETARY

Ms. Li Kit Chi, Fiona

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35th Floor, One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Bank of China (Hong Kong) Limited
1 Garden Road
Central
Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

13th Floor, Island Place Tower
510 King's Road
North Point
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

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WEBSITE

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