



# INTERIM REPORT 2025

## 登輝控股有限公司 Town Ray Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1692





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Chan Wai Ming  
(Chief Executive Officer)  
Mr. Chiu Wai Kwong  
Ms. Tang Mei Wah  
Dr. Yu Kwok Wai

#### Non-executive Directors

Dr. Chan Kam Kwong Charles  
(Chairman)  
Ms. Cheng Yuk Sim Connie  
(also known as  
Ms. Cheng Yuk Yee Connie)

#### Independent Non-executive Directors

Mr. Choi Chi Leung Danny  
Mr. Chan Shing Jee  
Ms. Chan Tak Yi  
Ms. Leung Lai Yee Edwina

### BOARD COMMITTEES

#### Audit Committee

Ms. Chan Tak Yi (Chairperson)  
Mr. Choi Chi Leung Danny  
Mr. Chan Shing Jee  
Ms. Leung Lai Yee Edwina

#### Remuneration Committee

Mr. Chan Shing Jee (Chairperson)  
Mr. Choi Chi Leung Danny  
Ms. Chan Tak Yi  
Ms. Leung Lai Yee Edwina

#### Nomination Committee

Mr. Choi Chi Leung Danny (Chairperson)  
Mr. Chan Shing Jee  
Ms. Chan Tak Yi  
Ms. Leung Lai Yee Edwina

### COMPANY SECRETARY

Mr. Chiu Wai Kwong

### AUTHORISED REPRESENTATIVES

Mr. Chan Wai Ming  
Mr. Chiu Wai Kwong

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop A, 25th Floor  
Reason Group Tower  
No. 403 Castle Peak Road – Kwai Chung  
Kwai Chung  
New Territories  
Hong Kong

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited  
Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## CORPORATE INFORMATION

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

### LEGAL ADVISER

*(As to Hong Kong law)*

ONC Lawyers  
19/F, Three Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking  
Corporation Limited  
Bank of China (Hong Kong) Limited

### AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

### COMPANY'S WEBSITE

[www.townray.com](http://www.townray.com)

### STOCK CODE

1692

# MANAGEMENT DISCUSSION AND ANALYSIS

## COMPANY OVERVIEW

Town Ray Holdings Limited (the “**Company**”, or “**Town Ray**”, together with its subsidiaries, collectively, the “**Group**” or “**we**”, “**our**” or “**us**”) is an advanced product developer, industrial designer, manufacturer, and supplier for a broad range of mid-to-high-end electrothermic household appliances to internationally renowned brands in overseas markets, covering over 30 countries and regions, with many of the Group’s customers being reputable and well-developed international brands. The Group’s electrothermic household products are grouped into two categories, namely (i) garment care appliances, including steam generator irons, garment steamers and steam irons; and (ii) cooking appliances, including coffee machines, steam cooking appliances and other cooking appliances.

## BUSINESS REVIEW

The first half of 2025 presented Town Ray with complex, intersecting macroeconomic and operational challenges, necessitating exceptional strategic agility to navigate effectively. Global trade tensions, geopolitical conflicts, and supply chain disruptions persisted, and new pressures emerged. European markets contracted significantly, as customers prioritised cost reduction over new product development due to shrinking purchasing power and currency volatility. This shift directly impacted our growth strategy, as price competition in the market led to lower profit margins amid economic uncertainty.

Within this volatile context, Town Ray demonstrated remarkable resilience, underpinned by disciplined capital allocation and technological foresight. Key stabilising factors for the six months ended 30 June 2025 (the “**Period**”) included the relative stability of the Renminbi (“**RMB**”) and our strategic operational investments in automation and standardisation. These investments enhanced manufacturing precision, while the investment in standardisation also fostered supplier flexibility, efficient inventory, and process resilience through interchangeable parts and simplified operations, thereby reducing supply chain vulnerabilities.

To address price consciousness of our customers, we expanded our product portfolio with competitively priced offerings, which allowed us to successfully retain our market share. This strategy proved particularly effective in regional Asian markets, where revenue of the Group increased significantly by approximately HK\$35.9 million from approximately HK\$24.0 million for the six months ended 30 June 2024 to approximately HK\$59.9 million for the six months ended 30 June 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS

Building upon the resilient foundation established, Town Ray adopts a strategically focused yet cautious outlook. While European demand recovery remains uncertain, we will leverage core strengths to achieve a sustainable growth. Resources will be allocated from incremental product model expansion toward developing new product categories with long-term potential, with initial focus on kitchen appliances for markets demonstrating strong home-cooking cultures, such as Southeast Asia.

Our positive outlook in the future is further anchored by observable signs of growing consumer demand for advanced brewing systems, which is a core strength of the Group. This favourable trend converges with the imminent launch of our transformative 4th generation fully automatic coffee machines. Featuring an innovative brewing system, we expect that these next generation products will lead to a change in industry benchmarks and drive our future growth.

Our integrated growth strategy leverages opportunities while mitigating persistent challenges. We are accelerating product development cycles to compress time-to-market while raising the benefits to our employees to stabilise the team against operational pressures. To further strengthen operational resilience, we will strengthen production automation and standardisation initiatives, while we would continue to implement aggressive inventory optimisation to improve cash flow and increase production quantity to offset margin pressure from economy products. Proactive supplier diversification remains paramount to mitigate risks from disruptive low-cost competition.

Concurrently, talent infrastructure expansion includes strategic hiring within engineering and digital transformation teams, which is complemented by customised upskilling programs to ensure that organisational capacity aligns with the increasing market demands. Geographically, we are actively tapping into the markets in the People's Republic of China (the "**PRC**") and the Middle East by leveraging our established strengths in product reliability, technological innovation, and manufacturing excellence to diversify revenue streams and mitigate regional concentration risks.

## MANAGEMENT DISCUSSION AND ANALYSIS

This customer and regional diversification forms the core strategic principles of the Group, which helps rebalance our revenue distribution. Automation upgrades at our PRC production facilities will further elevate manufacturing precision, optimise production efficiency, and enhance cost effectiveness. Collectively, these orchestrated initiatives, spanning accelerated innovation, talent development, market expansion, and operational transformation, establish an integrated platform for sustainable growth within an increasingly demanding and competitive global marketplace.

### FINANCIAL REVIEW

#### Revenue

The total revenue of the Group increased by approximately HK\$25.4 million or approximately 8.4% from approximately HK\$301.9 million for the six months ended 30 June 2024 to approximately HK\$327.3 million for the six months ended 30 June 2025. Such an increase was mainly attributable to the increase in the sales of cooking appliances during the Period.

#### Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately HK\$19.9 million or approximately 19.8% from approximately HK\$100.7 million for the six months ended 30 June 2024 to approximately HK\$80.8 million for the six months ended 30 June 2025. The gross profit margin of the Group decreased by approximately 8.6 percentage points from approximately 33.3% for the six months ended 30 June 2024 to approximately 24.7% for the six months ended 30 June 2025. The decrease in gross profit and gross profit margin was mainly attributable to: (i) the increase in direct labour costs and overhead; and (ii) the Group's initiatives to optimise its product line-up by offering products at lower gross profit margins to better suit consumer demand, during the Period.

#### Other Income and Gain, Net

Other income and gain, net of the Group decreased by approximately HK\$2.6 million from approximately HK\$9.2 million for the six months ended 30 June 2024 to approximately HK\$6.6 million for the six months ended 30 June 2025. Such a decrease was mainly due to the following factors: (i) the decrease in bank interest income of approximately HK\$1.9 million, resulted from the combined effect of lower deposit interest rates and the decrease in bank deposits; and (ii) the decrease in exchange gain of approximately HK\$0.8 million, during the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Selling and Distribution Expenses

Selling and distribution expenses of the Group slightly decreased by approximately HK\$0.1 million from approximately HK\$7.2 million for the six months ended 30 June 2024 to approximately HK\$7.1 million for the six months ended 30 June 2025. Such a decrease was mainly due to: (i) the decrease in advertising and promotion expenses of approximately HK\$0.2 million from approximately HK\$1.0 million for the six months ended 30 June 2024 to approximately HK\$0.8 million for the six months ended 30 June 2025, resulted from the absence of advertising and promotion fees payable to an independent service provider during the Period while such fee was recorded for the six months ended 30 June 2024; and (ii) the decrease in staff costs of approximately HK\$0.3 million, which was offset by the increase in transportation expenses and export credit insurance premiums of approximately HK\$0.3 million during the Period. The increase in transportation expenses and export credit insurance premiums was due to the increase in sales, during the Period.

### General and Administrative Expenses

General and administrative expenses of the Group slightly decreased by approximately HK\$0.6 million from approximately HK\$44.8 million for the six months ended 30 June 2024 to approximately HK\$44.2 million for the six months ended 30 June 2025. Despite the increases in the depreciation on right-of-use assets of approximately HK\$1.0 million and employee benefit expenses (including remuneration for directors ("**Directors**") of the Company) of approximately HK\$0.6 million during the Period, the Group effectively controlled other general and administrative expenses. Key reductions included (i) legal and professional fees of approximately HK\$0.7 million; (ii) staff welfare expenses of approximately HK\$0.4 million; (iii) office expenses of approximately HK\$0.3 million; (iv) travelling expenses of approximately HK\$0.3 million; (v) audit fees of approximately HK\$0.2 million; (vi) entertainment expenses of approximately HK\$0.1 million; and (vii) depreciation on property, plant and equipment of approximately HK\$0.1 million, during the Period.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Other Expenses, Net

Other expenses, net of the Group, recorded a greater net income effect, increased by approximately HK\$0.7 million from approximately HK\$0.2 million for the six months ended 30 June 2024 to approximately HK\$0.9 million for the six months ended 30 June 2025. Such an improvement was mainly due to the increase in the reversal of impairment of trade receivables, net of approximately HK\$0.8 million during the Period.

### Finance Costs

Finance costs of the Group increased by approximately HK\$0.7 million from approximately HK\$1.0 million for the six months ended 30 June 2024 to approximately HK\$1.7 million for the six months ended 30 June 2025. Such an increase was due to the increase in approximately HK\$0.5 million in interest expense on lease liabilities and approximately HK\$0.2 million in interest expense on bank loans for operations during the Period.

### Income Tax Expense

With the profit before tax of the Group decreased by approximately HK\$21.7 million from approximately HK\$57.0 million for the six months ended 30 June 2024 to approximately HK\$35.3 million for the six months ended 30 June 2025, the income tax expense of the Group decreased by approximately HK\$3.3 million from approximately HK\$8.5 million for the six months ended 30 June 2024 to approximately HK\$5.2 million for the six months ended 30 June 2025. The effective tax rates for the six months ended 30 June 2024 and 2025 were approximately 14.9% and 14.8%, respectively, representing a decrease of approximately 0.1 percentage point during the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Net Profit

As a result of the foregoing, the net profit of the Group decreased by approximately HK\$18.4 million, or approximately 38.0%, from approximately HK\$48.5 million for the six months ended 30 June 2024 to approximately HK\$30.1 million for the six months ended 30 June 2025. The net profit margin of the Group for the six months ended 30 June 2024 and 2025 were approximately 16.1% and 9.2%, respectively, representing a decrease of approximately 6.9 percentage points during the Period. Such a decrease was mainly attributable to the decrease in gross profit during the Period as elaborated above.

### MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

### CAPITAL COMMITMENTS

As at 30 June 2025, the Group has capital commitments in respect of purchases of property, plant and equipment, which had been contracted but not provided for in the interim condensed consolidated financial information, in the total amount of approximately HK\$5.8 million (as at 31 December 2024: approximately HK\$6.5 million), of which approximately HK\$0.7 million will be settled through the net proceeds (the **"Net Proceeds"**) raised from the share offer (the **"Share Offer"**) of the Company for the listing (the **"Listing"**) of its shares on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) in 2019 and the remaining balance to be settled through internal resources of the Group. Save as disclosed above, the Group did not have other capital commitments for the Period.

### CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities (as at 31 December 2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FOREIGN EXCHANGE EXPOSURE

The Group undertakes certain transactions denominated in foreign currencies, mainly U.S. dollar (“**USD**”) and RMB. Hence, exposure to exchange rate fluctuations arises. The Group did not engage in foreign currency hedging during the Period as the exposure to exchange rate fluctuations is insignificant. During the Period, the Group did not have any financial instruments for hedging purposes or any foreign currency investments which were hedged by currency borrowings and other hedging instruments. However, the management monitors foreign exchange exposure closely to keep the net exposure at an acceptable level.

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group entered into a provisional agreement for sale and purchase of a property which is located at Workshop B on 20th Floor (the “**Workshop 20B**”), Reason Group Tower, No. 403 Castle Peak Road – Kwai Chung, Kwai Chung, New Territories, Hong Kong with an independent third party at the consideration of approximately HK\$7.1 million on 16 July 2025. The formal agreement for sale and purchase of the Workshop 20B was signed on 30 July 2025. The completion of acquisition of the Workshop 20B is expected to take place on or before 16 September 2025. Upon the completion of the existing tenancy agreement over Workshop 20B, the Group intends to expand its existing workshop, godown and ancillary office in Hong Kong to Workshop 20B. The Group financed the acquisition of the Workshop 20B with its internal resources.

Save as disclosed above and except for the commitments in note 13 to the interim condensed consolidated financial information and the paragraph headed “Capital Commitments” above in this interim report, the Group did not have any other plans for material investments and capital assets as at 30 June 2025 and up to the date of this interim report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### GEARING RATIO

As at 30 June 2025, the gearing ratio of the Group (calculated by the total of interest-bearing bank borrowings divided by total equity) was approximately 7.7% (as at 31 December 2024: approximately 11.3%). Such a decrease was mainly due to the decrease in interest-bearing bank borrowings of the Group during the Period.

### LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group operates a conservative set of funding and treasury policies to preserve the value of the Group's assets and ensure that no unnecessary risk is taken with respect to the Group's assets. No financial instrument other than cash and bank deposits were held by the Group during the Period.

The Group has principally funded the liquidity and capital requirements through capital contributions from the shareholders ("**Shareholder(s)**") of the Company, bank borrowings and net cash generated from operating activities. As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$79.1 million (as at 31 December 2024: approximately HK\$75.9 million). Most of the Group's cash and cash equivalents were denominated in USD and RMB. As at 30 June 2025, the current ratio of the Group was approximately 1.7 times (as at 31 December 2024: approximately 2.0 times). The financial resources presently available to the Group include cash and cash equivalents, bank borrowings and the Net Proceeds. The Directors are of the view that the Group has sufficient working capital for its future requirements. There was no change in the capital structure of the Group during the Period. During the Period, the Group did not hold or sell any treasury shares.

## MANAGEMENT DISCUSSION AND ANALYSIS

### DEBTS AND CHARGES ON ASSETS

The total interest-bearing bank borrowings of the Group amounted to approximately HK\$25.6 million as at 30 June 2025 (as at 31 December 2024: approximately HK\$40.0 million). As at 30 June 2025, the Group had pledged deposits of approximately HK\$0.1 million (as at 31 December 2024: approximately HK\$0.8 million) in support of the issue of four letters of credit by a bank and there was a mortgage loan of approximately HK\$16.8 million (as at 31 December 2024: approximately HK\$18.0 million) secured by a property of the Group, which had a carrying value of approximately HK\$45.1 million (as at 31 December 2024: approximately HK\$46.1 million). Other than the above, there were no charges made or subsisting on the assets of the Group as at 30 June 2025.

The maturity profile of the bank borrowings of the Group as at each respective period end was as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Within one year	<b>10,391</b>	24,429
In the second year	<b>1,593</b>	2,487
In the third to fifth years, inclusive	<b>4,940</b>	7,462
Beyond five years	<b>8,652</b>	5,597
Total	<b>25,576</b>	39,975

All bank borrowings made by the Group were denominated in Hong Kong Dollar and RMB. None of the bank borrowings were at a fixed interest rate. As at 30 June 2025, all bank borrowings of the Group were at floating interest rates with reference to the Hong Kong Interbank Offered Rate (HIBOR) and the CNH Hong Kong Interbank Offered Rate (CNH HIBOR).

## MANAGEMENT DISCUSSION AND ANALYSIS

### PRINCIPAL RISKS AND UNCERTAINTIES

The followings are some principal risks and uncertainties faced by the Group, which may materially adversely affect its business, financial condition or results of operations:

- (i) The Group's business and operations may be seriously affected by the outbreak of an epidemic or other public health incidents, which may cause lockdown, travel restrictions and suspension of work in the PRC, Hong Kong or elsewhere;
- (ii) There has been an ongoing military conflict between Russia and Ukraine and in the Middle East region, which may affect the European or even the global supply chain and logistics, consumers' sentiment and demand, raw materials and production prices, interest rates and inflation rates. Such ongoing conflicts may cause a negative impact on the sales and performance of the Group;
- (iii) The Group's sales are subject to changes in consumer preferences and other macroeconomic factors that affect consumer spending patterns. If the Group fails to design and develop products with acceptable quality, or falls behind its competitors in improving its product quality or product variety, the Group's operating results and financial condition may be adversely affected;
- (iv) The Group relies on a few major customers and its performance will be materially and adversely affected if the Group's relationship with any one of them deteriorates;
- (v) The Group's business and financial position may be adversely affected if it is not able to continue servicing the European market effectively or if there is any adverse change in the macroeconomic situation or economic downturn in Europe;

## MANAGEMENT DISCUSSION AND ANALYSIS

- (vi) The Group's results of operations could be adversely affected if it fails to keep pace with customer demands and preferences on product design, research and development and manufacturing of its products; and
- (vii) The Group may not be successful in the development of new initiatives or improvement in the quality of its existing products.

For further information, please refer to the detailed discussion on the risk factors in the section headed "Risk factors" in the prospectus (the "**Prospectus**") of the Company dated 15 October 2019.

### SIGNIFICANT INVESTMENTS HELD

Except for the Company's investment in various subsidiaries, the Company did not hold any significant investments as at 30 June 2025.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had a total of 1,065 full-time employees (as at 31 December 2024: 1,075). The Group has adopted its human resources policies and procedures to determine individual remuneration with reference to factors such as qualifications, experience, performance, merits, responsibilities of each individual, market conditions, etc. Remuneration packages are normally reviewed on a regular basis. Apart from salary payments, staff are also entitled to other staff benefits such as continuing education subsidies, provident fund contributions, medical insurance coverage, annual leave, discretionary bonus and share options which may be granted under the share option scheme (the "**Share Option Scheme**") adopted by the Company at the annual general meeting held on 25 May 2023 (the "**Adoption Date**"). The Group also provides induction and other on-the-job trainings to employees on a regular basis. The total staff costs (excluding Directors' remuneration) incurred by the Group during the Period was approximately HK\$61.0 million (during the six months ended 30 June 2024: approximately HK\$54.4 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### USE OF PROCEEDS FROM THE SHARE OFFER

The Net Proceeds from the issue of 100,000,000 new ordinary shares of the Company at HK\$1.30 each by way of the Share Offer received by the Company in relation to the Listing of its shares on the Stock Exchange on 25 October 2019 (the “**Listing Date**”) were approximately HK\$90.7 million, after deducting the underwriting fees and related expenses. From the Listing Date to 31 December 2024, the Company utilised approximately HK\$86.6 million of the Net Proceeds. The amount of unutilised Net Proceeds brought forward to the beginning of the Period was approximately HK\$4.1 million. Below table sets out the status of application of the Net Proceeds during the Period:

	Actual use of Net Proceeds	Net Proceeds	Remaining balance of Net Proceeds	Expected timeline
Total planned use of Net Proceeds HK\$ million	from the Listing Date to 30 June 2025 HK\$ million	utilised during the Period HK\$ million	as at 30 June 2025 HK\$ million	for the intended use
(A) Upgrading production facilities and enhancing production capacity	50.4	50.4	–	–
(B) Strengthening product design and development capabilities and increasing product offerings	31.6	31.6	2.8	–
(C) Strengthening customer base	3.0	3.0	–	–
(D) Upgrading information technology systems	5.7	4.7	0.3	1.0 By June 2026
Total	90.7	89.7	3.1	1.0



## MANAGEMENT DISCUSSION AND ANALYSIS

From the Listing Date to 30 June 2025, the Company utilised approximately HK\$89.7 million of the Net Proceeds and the unutilised Net Proceeds as at 30 June 2025 amounted to approximately HK\$1.0 million. The Company has used the Net Proceeds and intends to use the remaining balance of the Net Proceeds in accordance with the proposed application set out in the section headed “Future plans and use of proceeds” in the Prospectus. However, there has been a further delay in the use of the remaining portion of the Net Proceeds allocated for upgrading information technology systems during the Period, since the vendors took additional time to develop the relevant systems for the Group. It is expected that the remaining balance of the Net Proceeds allocated to upgrading information technology systems will be fully utilised by 30 June 2026.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### PURPOSE, MISSION AND VALUES

The Group is a leading product developer, industrial designer, manufacturer, and supplier for a broad range of electrothermic household appliances catering to the diverse needs of customers in overseas markets. The Group's mission is to be the top provider of advanced electrothermic household appliances. Guided by the Group's five core values of "Best Design", "Best Value", "Best Quality", "Best Communication" and "Best Service", the Group strives to provide its customers with innovative and quality products. To achieve this, the Group's strategy involves upgrading its production facilities and enhancing its production capacity, strengthening its product design and development capabilities and increasing its product offerings, strengthening its customer base and upgrading its information technology systems.

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company believes that an effective corporate governance framework is fundamental to maintaining and promoting investors' confidence, safeguarding interests of Shareholders and other stakeholders and enhancing Shareholders' value. The Company has adopted the code provisions (the "**Code Provision(s)**") set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. In the opinion of the Directors, the Company has complied with all the applicable principles and Code Provisions set out in the CG Code during the Period and up to the date of this interim report.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. After having made specific enquiry of all Directors, each of the Directors confirmed that he/she has fully complied with the required standards set out in the Model Code during the Period and up to the date of this interim report.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### THE BOARD

#### Board Composition

As at the date of this interim report, the Board comprises ten members, consisting of four executive Directors, two non-executive Directors and four independent non-executive Directors.

#### Executive Directors

Mr. Chan Wai Ming (*Chief Executive Officer*)

Mr. Chiu Wai Kwong

Ms. Tang Mei Wah

Dr. Yu Kwok Wai

#### Non-executive Directors

Dr. Chan Kam Kwong Charles (*Chairman*)

Ms. Cheng Yuk Sim Connie

(also known as Ms. Cheng Yuk Yee Connie)

#### Independent non-executive Directors

Mr. Choi Chi Leung Danny

Mr. Chan Shing Jee

Ms. Chan Tak Yi

Ms. Leung Lai Yee Edwina

### CHANGE IN INFORMATION OF DIRECTORS

There is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### COMPLIANCE WITH THE LAWS AND REGULATIONS

As the production of the Group mainly takes place in the PRC, the Group's business is subject to the relevant PRC national and local environmental laws and regulations, such as the Environmental Protection Law of the PRC. These laws and regulations govern a broad range of environmental matters, including discharge of wastewater and disposal of hazardous wastes. A summary of the environmental protection laws and regulations applicable to the Group is set out in the section headed "Regulatory Overview" in the Prospectus. The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with the applicable laws and regulations. During the Period and up to the date of this interim report, the Group, in all material aspects, has complied with the relevant laws and regulations that have a significant impact on the business and operations of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group during the Period and up to the date of this interim report.

### RESULTS AND DIVIDENDS

The Group's profit during the Period and the Group's financial position as at 30 June 2025 are set out in the interim condensed consolidated financial information in this interim report.

The Board resolved to declare an interim dividend of HK7.0 cents per ordinary share (the "**Interim Dividend**"), totalling approximately HK\$25.1 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$39.5 million), to Shareholders whose names appear on the register of members (the "**Register of Members**") of the Company at the close of business on Monday, 15 September 2025 as the record date.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### CLOSURE OF REGISTER OF MEMBERS

To ascertain the identity of the Shareholders who are entitled to receive the Interim Dividend, the Register of Members will be closed from Friday, 12 September 2025 to Monday, 15 September 2025, both dates inclusive, the period during which no transfer of shares will be effected. The Interim Dividend is expected to be paid to the qualifying Shareholders on Friday, 26 September 2025. To qualify for receiving the Interim Dividend, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 11 September 2025.

### SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme at the annual general meeting of the Company held on the Adoption Date (i.e., 25 May 2023). No share option has been granted, exercised, cancelled, or lapsed under the Share Option Scheme since the Adoption Date and up to the date of this interim report.

As at 1 January 2025, 30 June 2025, and up to the date of this interim report, the total number of shares of the Company which may be allotted and issued upon exercise of all options available for grant under the scheme mandate limit of the Share Option Scheme was 35,900,000 shares, representing approximately 10.0% of the total number of the Company's shares in issue (excluding treasury shares, if any) as at 1 January 2025, 30 June 2025 and the date of this interim report, respectively. The service provider sublimit under the Share Option Scheme was 1.0% of the total number of the Company's shares in issue as at the Adoption Date, i.e., 3,590,000 shares, representing 1.0% of the total number of the Company's shares in issue (excluding treasury shares, if any) as at 1 January 2025, 30 June 2025 and the date of this interim report, respectively.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares) during the Period.

### ISSUE FOR CASH OF EQUITY SECURITIES

During the Period, the Company did not issue any equity securities (including securities convertible into equity securities) or sell any treasury shares for cash.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DISCLOSURE OF INTERESTS

#### (i) Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 30 June 2025, interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director/ chief executive	Capacity/ nature of interest	Number of ordinary shares of the Company held (Note 1)	Approximate percentage of shareholding
Dr. Chan Kam Kwong Charles (" <b>Dr. Chan</b> ")	Interest in a controlled corporation (Note 2)	213,640,000 (L)	59.51%
	Interest of spouse (Note 3)	6,806,000 (L)	1.90%
Ms. Cheng Yuk Sim Connie (" <b>Ms. Cheng</b> ")	Interest in a controlled corporation (Note 2)	213,640,000 (L)	59.51%
	Beneficial owner	6,806,000 (L)	1.90%
Mr. Chan Wai Ming	Beneficial owner	5,000,000 (L)	1.39%
Mr. Chiu Wai Kwong	Beneficial owner	5,000,000 (L)	1.39%
Ms. Tang Mei Wah	Beneficial owner	5,000,000 (L)	1.39%
Dr. Yu Kwok Wai	Beneficial owner	5,000,000 (L)	1.39%

Notes:

- The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such shares.
- 213,640,000 shares of the Company are owned by Modern Expression Limited ("**Modern Expression**"), which is wholly owned by Dr. Chan and Ms. Cheng jointly. Under the SFO, each of Dr. Chan and Ms. Cheng is deemed to be interested in all the shares owned by Modern Expression.
- Ms. Cheng is the spouse of Dr. Chan. Under the SFO, Dr. Chan is deemed to be interested in all the shares in which Ms. Cheng is interested.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### (ii) Interest in associated corporations of the Company

As at 30 June 2025, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Name of associated corporation	Capacity/nature	Number of ordinary shares held in associated corporation (Note 1)	Approximate percentage of shareholding in associated corporation
Dr. Chan	Modern Expression	Interest held jointly with another person (Note 2)	1 (L)	100%
Ms. Cheng	Modern Expression	Interest held jointly with another person (Note 2)	1 (L)	100%

Notes:

1. The letter "L" denotes a person's/corporation's "long position" (as defined under Part XV of the SFO) in such shares.
2. Modern Expression is wholly owned by Dr. Chan and Ms. Cheng jointly. Dr. Chan and Ms. Cheng are spouses.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### (iii) **Substantial Shareholders' and other persons' interests and short positions in shares, underlying shares and debentures**

So far as the Directors are aware, as at 30 June 2025, the following persons (other than the Directors and chief executive of the Company) had or deemed or taken to have an interest and/or short positions in the shares, underlying shares or debentures of the Company which were required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Person/corporation	Capacity/ nature of interest	Number of ordinary shares of the Company held (Note 1)	Approximate percentage of shareholding in the Company
Modern Expression	Beneficial owner	213,640,000 (L)	59.51%
Capital Fortress Limited ("Capital Fortress")	Beneficial owner	29,000,000 (L)	8.08%
Mr. Leung Yat Cheong Albert ("Mr. Leung")	Interest in a controlled corporation (Note 2)	29,000,000 (L)	8.08%
Ms. Chan Ying Yuk Purple ("Ms. Chan")	Interest of spouse (Note 3)	29,000,000 (L)	8.08%
Bestresult Assets Limited ("Bestresult Assets")	Beneficial owner	22,360,000 (L)	6.23%
Ms. Li Siu Lan ("Ms. Li")	Interest in a controlled corporation (Note 4)	22,360,000 (L)	6.23%
Mr. Lo Kam Wing Raymond ("Mr. Lo")	Interest of spouse (Note 5)	22,360,000 (L)	6.23%



## CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The letter "L" denotes a person's/corporation's "long position" (as defined under Part XV of the SFO) in such shares.
2. Capital Fortress is wholly owned by Mr. Leung. Under the SFO, Mr. Leung is deemed to be interested in all the shares owned by Capital Fortress.
3. Ms. Chan is the spouse of Mr. Leung. Under the SFO, Ms. Chan is deemed to be interested in all the shares in which Mr. Leung is interested.
4. Bestresult Assets is wholly owned by Ms. Li. Under the SFO, Ms. Li is deemed to be interested in all the shares owned by Bestresult Assets.
5. Mr. Lo is the spouse of Ms. Li. Under the SFO, Mr. Lo is deemed to be interested in all the shares in which Ms. Li is interested.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other persons (other than the Directors and chief executive of the Company) who had or deemed or taken to have any interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Period and up to the date of this interim report, none of the Directors or their close associates (as defined under the Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this interim report, there were no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company, its holding company, or any of its subsidiaries was a party and in which a Director of the Company or his/her connected entities had a material interest, whether directly or indirectly, subsisted during the Period and up to the date of this interim report.

### CONNECTED TRANSACTIONS

The Group did not enter into any non-fully exempted connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules, which required reporting, announcement or independent Shareholders' approval requirements under the Listing Rules, during the Period.

### RELATED PARTY TRANSACTIONS

The significant related party transactions entered into by the Group during the Period are set out in note 14 to the interim condensed consolidated financial information in this interim report. None of the related party transactions constitute non-fully exempted connected transactions or continuing connected transactions, which required reporting, announcement or independent Shareholders' approval requirements under the Listing Rules, during the Period. In relation to the Company's connected transactions or continuing connected transactions, the Company has complied with the relevant requirements (including applicable disclosure requirements) in accordance with the Chapter 14A of the Listing Rules.

With reference to note 14 to the interim condensed consolidated financial information in this interim report, the transactions disclosed therein were the connected transactions entered into by the Group in 2024. On 10 May 2024, the Group entered into the following tenancy agreements which constituted connected transactions under Chapter 14A of the Listing Rules:

**(i) Tenancy Agreement I**

Town Ray Electrical (Huizhou) Limited ("**Town Ray (Huizhou)**"), an indirect wholly owned subsidiary of the Company, as tenant entered into the tenancy agreement (the "**Tenancy Agreement I**") with Tunbow Electrical (Huizhou) Limited\* (東保利電業(惠州)有限公司) ("**Tunbow (Huizhou)**"), a connected person of the Company, as landlord in relation to the leasing of the Dunzilipian (Jiangbei 84) Community, Qingtang Village, Xiaojinkou Town, Huicheng District, Huizhou City, Guangdong Province, the PRC, with a total gross floor area of 85,036.10 square metres (the "**Property I**"), for renewing the existing tenancy agreement in respect of the same premises entered into by the same parties (the "**Property I Existing Tenancy Agreement**") which was expired on 31 December 2024, and the leasing of the Dunzilipian (Jiangbei 85) Community, Qingtang Village, Xiaojinkou Town, Huicheng District, Huizhou City, Guangdong Province, the PRC, with a total gross floor area of 5,171.01 square metres (the "**Property II**") for a term of three years from 1 January 2025 to 31 December 2027 at an aggregate monthly rent of RMB1,172,692.43;

**(ii) Tenancy Agreement II**

Town Ray (Huizhou), an indirect wholly owned subsidiary of the Company, as tenant entered into the tenancy agreement (the "**Tenancy Agreement II**") with Tunbow (Huizhou) as landlord in relation to the leasing of Property II for a term of six months from 1 July 2024 to 31 December 2024 at a monthly rent of RMB67,223.13; and

\* denotes unofficial name for identification only

### (iii) **Tenancy Agreement III**

Town Ray (Huizhou), an indirect wholly owned subsidiary of the Company, as tenant entered into the tenancy agreement (the “**Tenancy Agreement III**”) with Tunbow Electronics (Huizhou) Limited \* (東保達電子(惠州)有限公司) (“**Tunbow Electronics (Huizhou)**”), a connected person of the Company, as landlord in relation to the leasing of the Dunzilipian (Jiangbei 85) Community, Qingtang Village, Xiaojinkou Town, Huicheng District, Huizhou City, Guangdong Province, the PRC, with a total gross floor area of 15,581.76 square metres (the “**Property III**”) for a term of three years and six months from 1 July 2024 to 31 December 2027 at a monthly rent of RMB202,562.88.

The Property I, II and III were used for the production warehouse, manufacturing plant and related operation, dormitory, factory facilities and ancillary office of the Group.

Tunbow (Huizhou), the landlord under the Tenancy Agreement I and Tenancy Agreement II, is a company established in Huizhou City, Guangdong Province, the PRC with limited liability on 5 December 2005 and principally engages in the business of properties holding. Tunbow (Huizhou) is wholly owned by Tunbow Electrical (BVI) Limited, which is in turn wholly owned by Tunbow Investments (BVI) Limited. Tunbow Investments (BVI) Limited is owned as to approximately 78.23% by Modern Expression, which is in turn wholly owned by Dr. Chan and Ms. Cheng (both being non-executive Directors) jointly. Therefore, Tunbow (Huizhou) is an associate of Dr. Chan and Ms. Cheng, and is a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

Tunbow Electronics (Huizhou), the landlord under the Tenancy Agreement III, is a company established in Huizhou City, Guangdong Province, the PRC with limited liability on 5 December 2005 and principally engages in the business of properties holding. Tunbow Electronics (Huizhou) is wholly owned by Tunbow Electronics (BVI) Limited, which is in turn wholly owned by Tunbow Investments (BVI) Limited. Tunbow Investments (BVI) Limited is owned as to approximately 78.23% by Modern Expression, which is in turn wholly owned by Dr. Chan and Ms. Cheng (both being non-executive Directors) jointly. Therefore, Tunbow Electronics (Huizhou) is an associate of Dr. Chan and Ms. Cheng, and is a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

\* denotes unofficial name for identification only

## CORPORATE GOVERNANCE AND OTHER INFORMATION

In accordance with HKFRS 16 “Leases”, the Group was required to recognise right-of-use assets from the commencement date of the Tenancy Agreement I, Tenancy Agreement II and Tenancy Agreement III (the “**Tenancy Agreements**”) in its consolidated statement of financial position. Hence, the Tenancy Agreements and the transactions contemplated thereunder were regarded as acquisitions of right-of-use assets from the commencement date of the Tenancy Agreements by the Group, which were aggregated under Rule 14.22 of the Listing Rules as if one transaction, and after aggregation, constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules. The total consideration of the connected transactions under the Tenancy Agreements was approximately HK\$56.4 million, which was calculated with reference to the aggregate rental payments and discounted by a discount rate. For details, please refer to the announcement of the Company dated 10 May 2024 and the circular of the Company dated 28 May 2024.

The Tenancy Agreements and the transactions contemplated thereunder were approved by the independent Shareholders at the annual general meeting of the Company held on 21 June 2024.

### EVENTS AFTER THE REPORTING PERIOD

As disclosed above in the paragraph headed “Future Plans for Material Investments and Capital Assets” in this interim report, the Group entered into a formal sale and purchase agreement with an independent third party to acquire Workshop 20B on 30 July 2025. The completion of acquisition of the Workshop 20B is expected to take place on or before 16 September 2025.

Save as disclosed above, the Group had no material events for disclosure subsequent to 30 June 2025 and up to the date of this interim report.

### REVIEW BY AUDIT COMMITTEE

The audit committee (the “**Audit Committee**”) of the Board was established on 3 October 2019 with specific written terms of reference which clearly sets out with its authority and duties.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

The Audit Committee is mainly responsible for (i) making recommendations to the Board on the appointment, re-appointment and removal of external auditor; (ii) reviewing the financial statements and providing material advice in respect of financial reporting; (iii) overseeing the financial reporting process, internal controls, risk management systems and audit process of the Group; and (iv) overseeing the Company's continuing connected transactions. Details of the authority and duties of the Audit Committee are set out in the Audit Committee's terms of reference, which is available on the websites of the Stock Exchange and the Company.

The Audit Committee comprises four independent non-executive Directors, namely Ms. Chan Tak Yi (Chairperson), Mr. Choi Chi Leung Danny, Mr. Chan Shing Jee and Ms. Leung Lai Yee Edwina. The composition of the Audit Committee meets the requirements of Rule 3.21 of the Listing Rules.

The unaudited interim condensed consolidated financial information of the Group for the Period has not been audited or reviewed by auditor, but has been reviewed by the Audit Committee, who is of the opinion that the unaudited interim condensed consolidated financial information of the Group for the Period has complied with the applicable accounting standards, the Listing Rules, and that adequate disclosures have been made.

### APPRECIATION

On behalf of the Board, I would like to extend my gratitude to the management and all of our staff for their dedication and commitment, as well as our business partners, customers and Shareholders for their continuous support to the Group.

On behalf of the Board

**Town Ray Holdings Limited**

**Chan Kam Kwong Charles**

*Chairman and non-executive Director*

Hong Kong, 28 August 2025

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
REVENUE	4	<b>327,295</b>	301,933
Cost of sales		<b>(246,514)</b>	(201,268)
Gross profit		<b>80,781</b>	100,665
Other income and gain, net	4	<b>6,612</b>	9,183
Selling and distribution expenses		<b>(7,058)</b>	(7,231)
General and administrative expenses		<b>(44,243)</b>	(44,770)
Other expenses, net		<b>896</b>	176
Finance costs		<b>(1,696)</b>	(998)
PROFIT BEFORE TAX	5	<b>35,292</b>	57,025
Income tax expense	6	<b>(5,223)</b>	(8,492)
PROFIT FOR THE PERIOD		<b>30,069</b>	48,533
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted		<b>HK8.38 cents</b>	HK13.52 cents

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	30,069	48,533
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	2,811	(1,365)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	32,880	47,168



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	9	<b>89,344</b>	85,256
Investment property		<b>2,200</b>	2,200
Right-of-use assets		<b>107,245</b>	116,009
Deposits paid for purchases of items of property, plant and equipment		<b>7,394</b>	11,259
Prepayments		<b>141</b>	206
Deferred tax assets		<b>2,918</b>	3,337
Total non-current assets		<b>209,242</b>	218,267
CURRENT ASSETS			
Inventories		<b>103,125</b>	100,128
Trade and bills receivables	10	<b>139,603</b>	132,069
Prepayments, deposits and other receivables		<b>26,392</b>	27,125
Tax recoverable		<b>5</b>	153
Pledged deposits		<b>88</b>	820
Cash and cash equivalents		<b>79,111</b>	75,894
Total current assets		<b>348,324</b>	336,189
CURRENT LIABILITIES			
Trade payables	11	<b>108,478</b>	58,454
Other payables and accruals		<b>46,264</b>	49,411
Interest-bearing bank borrowings	12	<b>25,576</b>	39,975
Lease liabilities		<b>16,418</b>	16,168
Tax payable		<b>3,282</b>	1,604
Total current liabilities		<b>200,018</b>	165,612
NET CURRENT ASSETS		<b>148,306</b>	170,577
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>357,548</b>	388,844

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Accrual		215	220
Lease liabilities		24,274	31,583
Deferred tax liabilities		2,936	1,999
Total non-current liabilities		27,425	33,802
Net assets		330,123	355,042
EQUITY			
Issued capital		3,590	3,590
Reserves		326,533	351,452
Total equity		330,123	355,042

**Chan Wai Ming**

Director

**Chiu Wai Kwong**

Director

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

		Issued capital	Share premium account	Merger reserve	Capital contribution reserve	Share- based payment reserve	Statutory reserve funds	Exchange fluctuation reserve	Retained profits	Total equity
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024		3,590	73,524	10,000	63,000	10,050	14,695	(16,621)	186,440	344,678
Profit for the period		-	-	-	-	-	-	-	48,533	48,533
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations		-	-	-	-	-	-	(1,365)	-	(1,365)
Total comprehensive income for the period		-	-	-	-	-	-	(1,365)	48,533	47,168
Final 2023 dividend	7	-	-	-	-	-	-	-	(54,209)	(54,209)
At 30 June 2024 (unaudited)		3,590	73,524	10,000	63,000	10,050	14,695	(17,986)	180,764	337,637
At 1 January 2025		3,590	73,524	10,000	63,000	10,050	14,695	(20,168)	200,351	355,042
Profit for the period		-	-	-	-	-	-	-	30,069	30,069
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations		-	-	-	-	-	-	2,811	-	2,811
Total comprehensive income for the period		-	-	-	-	-	-	2,811	30,069	32,880
Final 2024 dividend	7	-	-	-	-	-	-	-	(57,799)	(57,799)
At 30 June 2025 (unaudited)		<b>3,590</b>	<b>73,524*</b>	<b>10,000*</b>	<b>63,000*</b>	<b>10,050*</b>	<b>14,695*</b>	<b>(17,357)*</b>	<b>172,621*</b>	<b>330,123</b>

\* These reserve accounts comprise the consolidated reserves of HK\$326,533,000 (31 December 2024: HK\$351,452,000) in the interim condensed consolidated statement of financial position as at 30 June 2025.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<b>87,303</b>	12,472
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<b>1,451</b>	3,381
Purchases of items of property, plant and equipment	<b>(10,413)</b>	(9,599)
Decrease/(increase) in deposits paid for purchases of items of property, plant and equipment	<b>3,865</b>	(10,660)
Proceeds from disposal of items of property, plant and equipment	<b>17</b>	1
Additions to right-of-use assets	<b>–</b>	(15,162)
Placement of pledged deposits	<b>–</b>	(2,201)
Withdrawal of pledged deposits	<b>732</b>	755
Net cash flows used in investing activities	<b>(4,348)</b>	(33,485)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings	<b>60,881</b>	17,412
Repayment of bank borrowings	<b>(75,280)</b>	(18,953)
Principal portion of lease payments	<b>(7,725)</b>	(6,147)
Dividend paid	<b>(57,799)</b>	–
Interest paid	<b>(1,696)</b>	(998)
Net cash flows used in financing activities	<b>(81,619)</b>	(8,686)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<b>1,336</b>	(29,699)
Cash and cash equivalents at beginning of period	<b>75,894</b>	187,719
Effect of foreign exchange rate changes, net	<b>1,881</b>	(987)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>79,111</b>	157,033
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<b>41,319</b>	89,360
Non-pledged time deposits with original maturity of less than three months when acquired	<b>37,792</b>	67,673
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	<b>79,111</b>	157,033

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 1. CORPORATE INFORMATION

Town Ray Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Workshop A, 25th Floor, Reason Group Tower, No. 403 Castle Peak Road — Kwai Chung, Kwai Chung, New Territories, Hong Kong.

During the period, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the manufacture and sale of electrothermic household appliances.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Modern Expression Limited (“Modern Expression”), a company incorporated in the British Virgin Islands.

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for an investment property which has been measured at fair value. The financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidation financial information.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of electrothermic household appliances. Information reported to the Group's chief operating decision maker for the purpose of making decisions about resource allocation and performance assessment is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

### Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Europe	259,930	270,240
Asia	59,922	24,002
United States	2,053	3,347
Others	5,390	4,344
Total revenue	327,295	301,933

The revenue information above is based on the locations of the customers.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

### Geographical information (Continued)

(b) Non-current assets

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Hong Kong	97,457	100,243
Mainland China	108,867	114,687
Total non-current assets	206,324	214,930

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

### Information about major customers

Revenue from external customers contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Customer C	81,409	64,691
Customer A	72,096	84,257
Customer B	36,425	42,986



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 4. REVENUE, OTHER INCOME AND GAIN, NET

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	<b>327,295</b>	301,933

### Revenue from contracts with customers

Disaggregated revenue information

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Types of goods</b>		
Sale of electrothermic household appliances	<b>323,399</b>	301,847
Sale of tooling	<b>3,896</b>	86
Total	<b>327,295</b>	301,933
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<b>327,295</b>	301,933

An analysis of other income and gain, net is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	<b>1,451</b>	3,381
Consultancy income	<b>1,664</b>	1,891
Gross rental income	<b>69</b>	23
Government subsidies*	<b>230</b>	149
Foreign exchange differences, net	<b>2,686</b>	3,475
Others	<b>512</b>	264
Total	<b>6,612</b>	9,183

\* There are no unfulfilled conditions or contingencies relating to these subsidies.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Cost of inventories sold	<b>246,514</b>	201,268
Depreciation of property, plant and equipment*	<b>7,165</b>	7,651
Depreciation of right-of-use assets*	<b>9,417</b>	7,345
Lease payments not included in the measurement of lease liabilities	<b>10</b>	10
Reversal of impairment of trade receivables, net^	<b>(982)</b>	(182)
Reversal of write-down of inventories to net realisable value*	<b>(851)</b>	(2,664)

\* The cost of sales for the period included depreciation charge of property, plant and equipment of HK\$5,337,000 (six months ended 30 June 2024: HK\$5,716,000), depreciation charge of right-of-use assets of HK\$6,509,000 (six months ended 30 June 2024: HK\$5,438,000) and reversal of write-down of inventories to net realisable value of HK\$851,000 (six months ended 30 June 2024: HK\$2,664,000).

^ Included in "Other expenses, net" in the interim condensed consolidated statement of profit or loss.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current — Hong Kong		
Charge for the period	1,585	5,849
Current — Mainland China		
Charge for the period	2,277	3,826
Overprovision in prior periods	—	(187)
Deferred	1,361	(996)
Total tax charge for the period	5,223	8,492

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 7. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividend recognised as distribution during the period:		
Final 2024 — HK16.1 cents		
(2023: HK15.1 cents) per ordinary share	57,799	54,209
Dividend proposed after the end of the reporting period:		
Proposed interim 2025 — HK7.0 cents		
(2024: HK11.0 cents) per ordinary share	25,130	39,490

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$30,069,000 (six months ended 30 June 2024: HK\$48,533,000), and the weighted average number of ordinary shares of 359,000,000 (six months ended 30 June 2024: 359,000,000) outstanding during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with an aggregate cost of HK\$10,413,000 (six months ended 30 June 2024: HK\$9,599,000).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 10. TRADE AND BILLS RECEIVABLES

	<b>30 June 2025</b>	31 December 2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Trade receivables	<b>139,636</b>	135,704
Bills receivable	<b>2,620</b>	–
Impairment	<b>(2,653)</b>	(3,635)
Net carrying amount	<b>139,603</b>	132,069

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to four months for major customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2025</b>	31 December 2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Within 30 days	<b>64,887</b>	18,903
31 to 90 days	<b>51,907</b>	54,691
Over 90 days	<b>22,809</b>	58,475
Total	<b>139,603</b>	132,069

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Within 30 days	<b>32,516</b>	13,231
31 to 90 days	<b>66,704</b>	43,056
Over 90 days	<b>9,258</b>	2,167
Total	<b>108,478</b>	58,454

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 90 days.

## 12. INTEREST-BEARING BANK BORROWINGS

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Portion of bank loan due for repayment within one year or on demand – secured	<b>1,567</b>	2,487
Portions of bank loans due for repayment within one year or on demand – unsecured	<b>8,824</b>	21,942
Portion of bank loan due for repayment after one year which contains repayment on demand clause – secured	<b>15,185</b>	15,546
Total	<b>25,576</b>	39,975

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 13. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
Leasehold improvements	<b>37</b>	29
Plant and machinery	<b>1,096</b>	888
Furniture, fixtures and equipment	<b>691</b>	680
Moulds	<b>3,932</b>	4,916
<b>Total</b>	<b>5,756</b>	6,513

## 14. RELATED PARTY TRANSACTIONS

(a) In addition to the balances, arrangements and transactions detailed elsewhere in this financial information, the Group had the following material transactions with related parties during the period:

		<b>Six months ended 30 June 2025 HK\$'000 (Unaudited)</b>	2024 HK\$'000 (Unaudited)
東保利電業(惠州)有限公司 ("Tunbow (Huizhou)")*:			
Lease payments	(i)	<b>7,281</b>	6,416
東保達電子(惠州)有限公司 ("Tunbow Electronics (Huizhou)")*:			
Lease payments	(i)	<b>1,257</b>	–

\* These related companies are controlled by Modern Expression.

Note:

(i) The lease payments were charged by the related companies at monthly fixed amount as detailed in note 14(b)(i) and 14(b)(ii).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

## 14. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Other transactions with related parties:

- (i) On 30 September 2021, the Group entered into a tenancy agreement with Tunbow (Huizhou) for the lease of premises for a term of 3 years ending 31 December 2024 at a monthly rent of RMB1,020,433 (inclusive of value-added tax). On 10 May 2024, the Group entered into tenancy agreements with Tunbow (Huizhou) for the leases of premises for terms of 6 months ended 31 December 2024 and 3 years ending 31 December 2027 at monthly rents of RMB67,223 (inclusive of value-added tax) and RMB1,172,692 (inclusive of value-added tax), respectively.
- (ii) On 10 May 2024, the Group entered into a tenancy agreement with Tunbow Electronics (Huizhou) for the lease of premises for a term of 42 months ending 31 December 2027 at a monthly rent of RMB202,563 (inclusive of value-added tax).

### (c) Compensation of key management personnel of the Group

Remuneration for key management personnel of the Group, including directors' and chief executive's remuneration, is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	9,331	9,264
Post-employment benefits	102	102
Total compensation paid to key management personnel	9,433	9,366



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the six months ended 30 June 2025*

## **15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

## **16. EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the end of the reporting period, the Group entered into a sale and purchase agreement with an independent third party to acquire a leasehold land and building situated in Hong Kong at cash consideration of HK\$7,100,000 on 30 July 2025. The transaction is expected to be completed on or before 16 September 2025.

## **17. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 28 August 2025.