Town Ray Holdings Limited
登輝控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1692)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue decreased by approximately HK$19.5 million or approximately 6.0% from approximately HK$327.3 million for the six months ended 30 June 2025 to approximately HK$307.8 million for the six months ended 30 June 2026.

- Gross profit decreased by approximately HK$4.7 million or approximately 5.8% from approximately HK$80.8 million for the six months ended 30 June 2025 to approximately HK$76.1 million for the six months ended 30 June 2026.

- Gross profit margin remained at approximately 24.7% for the six months ended 30 June 2025 and 2026.

- Profit attributable to the equity holders of the Company decreased by approximately HK$11.2 million or approximately 37.1% from approximately HK$30.1 million for the six months ended 30 June 2025 to approximately HK$18.9 million for the six months ended 30 June 2026. The net profit margin for the six months ended 30 June 2025 and 2026 were approximately 9.2% and 6.1%, respectively, representing a decrease of approximately 3.1 percentage points.

- Basic earnings per share was approximately HK5.27 cents for the six months ended 30 June 2026 and approximately HK8.38 cents for the six months ended 30 June 2025.

- The Board resolved to declare an interim dividend of HK3.7 cents per ordinary share in respect of the six months ended 30 June 2026, totalling approximately HK$13.3 million.

The board (the "**Board**") of directors (the "**Directors**") of Town Ray Holdings Limited (the "**Company**" or "**Town Ray**") is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**" or "**we**", "**our**" or "**us**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period ended 30 June 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**307,810**	327,295
Cost of sales		**(231,712)**	(246,514)
Gross profit		**76,098**	80,781
Other income and gain, net	*4*	**5,194**	6,612
Selling and distribution expenses		**(8,016)**	(7,058)
General and administrative expenses		**(43,372)**	(44,243)
Other expenses, net		**(6,924)**	896
Finance costs		**(946)**	(1,696)
PROFIT BEFORE TAX	*5*	**22,034**	35,292
Income tax expense	*6*	**(3,112)**	(5,223)
PROFIT FOR THE PERIOD		**18,922**	30,069
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic and diluted		**HK5.27 cents**	HK8.38 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**18,922**	30,069
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**8,727**	2,811
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**27,649**	32,880

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**93,081**	94,058
Investment property		**2,100**	2,100
Right-of-use assets		**94,277**	102,997
Deposits paid for purchases of items of property, plant and equipment		**4,464**	5,073
Prepayments		**58**	91
Deferred tax assets		**3,077**	2,884
Total non-current assets		**197,057**	207,203
CURRENT ASSETS			
Inventories		**125,879**	78,218
Trade and bills receivables	*9*	**135,253**	107,666
Prepayments, deposits and other receivables		**33,686**	18,504
Tax recoverable		**–**	1,986
Pledged deposits		**92**	88
Cash and cash equivalents		**77,824**	103,641
		372,734	310,103
Assets held for sale		**56**	–
Total current assets		**372,790**	310,103
CURRENT LIABILITIES			
Trade payables	*10*	**124,913**	74,676
Other payables and accruals		**47,631**	37,874
Interest-bearing bank borrowings		**25,395**	26,293
Lease liabilities		**17,793**	17,110
Tax payable		**1,102**	1,658
Total current liabilities		**216,834**	157,611
NET CURRENT ASSETS		**155,956**	152,492
TOTAL ASSETS LESS CURRENT LIABILITIES		**353,013**	359,695

	Notes	30 June 2026 *HK$'000* (Unaudited)	31 December 2025 *HK$'000* (Audited)
NON-CURRENT LIABILITIES			
Accrual		**125**	235
Lease liabilities		**8,098**	15,956
Deferred tax liabilities		**4,548**	3,986
Total non-current liabilities		**12,771**	20,177
Net assets		**340,242**	339,518
EQUITY			
Issued capital		**3,590**	3,590
Reserves		**336,652**	335,928
Total equity		**340,242**	339,518

NOTES

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 2026 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 2025.

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.

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 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

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

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

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	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Europe	**252,480**	259,930
Asia	**44,560**	59,922
United States	**6,015**	2,053
Others	**4,755**	5,390
Total revenue	**307,810**	327,295

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

(b) Non-current assets

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**98,215**	101,391
Mainland China	**95,765**	102,928
Total non-current assets	**193,980**	204,319

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	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer C	**127,124**	81,409
Customer A	**44,263**	72,096
Customer B	**32,623**	36,425

4. REVENUE, OTHER INCOME AND GAIN, NET

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**307,810**	327,295

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank interest income	**676**	1,451
Consultancy income	**2,397**	1,664
Gross rental income	**258**	69
Government subsidies*	**250**	230
Foreign exchange differences, net	**–**	2,686
Others	**1,613**	512
Total	**5,194**	6,612

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

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**231,712**	246,514
Depreciation of property, plant and equipment*	**8,477**	7,165
Depreciation of right-of-use assets*	**9,903**	9,417
Lease payments not included in the measurement of lease liabilities	**10**	10
Impairment/(reversal of impairment) of trade receivables, net^	**1,521**	(982)
Write-down/(reversal of write-down) of inventories to net realisable value*	**1,490**	(851)

* The cost of sales for the period included depreciation charge of property, plant and equipment of HK$6,578,000 (six months ended 30 June 2025: HK$5,337,000), depreciation charge of right-of-use assets of HK$6,815,000 (six months ended 30 June 2025: HK$6,509,000) and write-down of inventories to net realisable value of HK$1,490,000 (six months ended 30 June 2025: reversal of write-down of inventories to net realisable value of HK$851,000).

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

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2025: 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 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 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	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current — Hong Kong profits tax		
Charge for the period	**2,271**	1,585
Overprovision in prior periods	**(2)**	–
Current — Mainland China — income taxes		
Charge for the period	**512**	2,277
Deferred	**331**	1,361
Total tax charge for the period	**3,112**	5,223

7. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividend recognised as distribution during the period:		
Final 2025 — HK7.5 cents (2024: HK16.1 cents) per ordinary share	**26,925**	57,799
Dividend proposed after the end of the reporting period:		
Proposed interim 2026 — HK3.7 cents (2025: HK7.0 cents) per ordinary share	**13,283**	25,130

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$18,922,000 (six months ended 30 June 2025: HK$30,069,000), and the weighted average number of ordinary shares of 359,000,000 (six months ended 30 June 2025: 359,000,000) outstanding during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 2025.

9. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**138,772**	107,817
Impairment	**(3,519)**	(1,990)
	135,253	105,827
Bills receivables	**–**	1,839
Net carrying amount	**135,253**	107,666

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:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**53,377**	32,980
31 to 90 days	**63,075**	40,495
Over 90 days	**18,801**	34,191
Total	**135,253**	107,666

10. 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:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**41,339**	21,027
31 to 90 days	**67,914**	32,180
Over 90 days	**15,660**	21,469
Total	**124,913**	74,676

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

BUSINESS REVIEW

The first half of 2026 presented Town Ray with an exceptionally demanding operating environment, characterised by intensifying geopolitical conflicts, persistent supply chain disruptions, and an observable deceleration in global economic growth. The global economy faced stagflation risks as the US-Iran conflict disrupted energy and chemical supply chains through the Strait of Hormuz, driving commodity prices higher and prompting major central banks to shift from 2025's easing stance toward monetary tightening to control inflation. Within this turbulent context, the Group demonstrated exceptional strategic agility and operational resilience, delivering a solid performance that shows the effectiveness of our disciplined capital allocation, automation-driven cost optimisation, and forward-looking technology investments.

For the six months ended 30 June 2026 (the "**Period**"), the Group recorded a decrease in unaudited net profit attributable to owners of the Company from approximately HK$30.1 million for the six months ended 30 June 2025 to approximately HK$18.9 million, representing a decrease of approximately HK$11.2 million or approximately 37.1%. This outcome was predominantly driven by four factors: (i) the decrease in revenue; (ii) the substantial increase in direct material costs due to sustained geopolitical tensions, which was offset by the decrease in direct labour costs and overhead; (iii) the change from foreign exchange gains for the six months ended 30 June 2025 to foreign exchange losses during the Period, mainly due to the appreciation of the Renminbi ("**RMB**") against the U.S. dollar ("**USD**"); and (iv) the change from the reversal of impairment of trade receivables, net for the six months ended 30 June 2025 to the impairment of trade receivables, net during the Period, which reflected an increase in credit risk exposure on the Group's trade receivables. However, our disciplined cost management initiatives, particularly reductions in direct labour costs and overhead through automation and standardisation in production, delivered tangible offsets; these offsets underscore the resilience of our operational model.

PROSPECTS

Looking ahead, the Group adopts an assertive, opportunity-driven stance. Navigating a complex and dynamic global macroeconomic environment, we are actively shaping our competitive trajectory through a multi-faceted strategy. By converging targeted investments in next-generation technology, human capital, sustainable operations, and geographic expansion, the Group is moving decisively to fortify its market leadership and unlock new avenues of growth.

Technology and product innovation remain the vital cornerstones of our growth engine. Building upon our foundational digital initiatives, we continuously accelerate the deployment of our artificial intelligence ("**AI**") assisted database and embed advanced technologies across our entire enterprise architecture. By integrating 3D simulation, robotic process automation, and a comprehensive manufacturing operations management system, we are actively restructuring our corporate frameworks. This strategic application of AI is designed to streamline operations, eliminate redundant reporting, and facilitate real-time, data-driven decision-making. These technological upgrades not only optimise cost management and manufacturing precision but also empower our engineering teams to elevate our core product offerings. By deeply embedding these capabilities into our corporate foundation, we are deepening customer engagement through the delivery of superior, intelligently designed, and highly responsive electrothermic household applications.

To steer this operational transformation, the Group has deliberately strengthened its leadership bench during the Period. We have strategically promoted select members of our senior management to the Board, elevating leaders who bring fresh perspectives, deep industry expertise and proven track records in navigating volatile market environments. We believe these appointments, spanning engineering innovation, financial discipline, and operational optimisation, are poised to inject new dynamism into our strategic execution. By breaking down operational silos and fostering cross-functional collaboration, this renewed management team accelerates our agility as we move into the second half of 2026 and beyond. Complemented by rigorous, ongoing upskilling initiatives throughout the Group, we are reinforcing our internal capacity for innovation and positioning our workforce to capture emerging opportunities with unparalleled speed and conviction.

Geographically, our dual-path expansion strategy remains highly resilient. We continue to fortify our entrenched partnerships in established markets, ensuring consistent volume and service excellence. Simultaneously, we are aggressively penetrating high-potential growth regions, specifically the People's Republic of China ("**PRC**") and Southeast Asia. By leveraging our long-standing reputation for product reliability and manufacturing excellence, we are capturing vital new market share in these burgeoning economies. Concurrently, we are maintaining strict agility within our global supply chain. Preparatory work and infrastructural readiness for our strategic re-entry into the United States market continue in parallel, ensuring the Group is perfectly positioned to capitalise swiftly the moment regulatory and tariff conditions permit a profitable return.

As we modernise our operations, the Group is increasingly aligning its strategic objectives with forward-looking environmental, social, and governance ("**ESG**") principles. We recognise that sustainable manufacturing is inseparable from long-term profitability. By integrating robust ESG frameworks into our operational matrix, we are optimising energy efficiency on the production floor, reducing waste through precision engineering, and upholding rigorous, transparent reporting standards. This commitment ensures our growth trajectory meets the rising sustainability expectations of our global stakeholders, corporate partners, and the communities in which we operate.

Underpinning these ambitious initiatives is a foundation of our financial discipline. The Group's overarching financial objective for the remainder of 2026 is to generate robust, stable operating cash flow. Through rigorous capital allocation, relentless innovation across both products and processes, and the precise execution of our diversification strategy, the Group is strategically poised to convert present macroeconomic challenges into durable competitive advantages. We remain confident in our ability to navigate the evolving landscape, secure our market leadership, and deliver sustained, long-term value to the shareholders (the "**Shareholder(s)**") of the Company.

FINANCIAL REVIEW

Revenue

The total revenue of the Group decreased by approximately HK$19.5 million or approximately 6.0% from approximately HK$327.3 million for the six months ended 30 June 2025 to approximately HK$307.8 million for the six months ended 30 June 2026. Such a decrease was mainly attributable to the decrease in the sales of garment care appliances and cooking appliances during the Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately HK$4.7 million or approximately 5.8% from approximately HK$80.8 million for the six months ended 30 June 2025 to approximately HK$76.1 million for the six months ended 30 June 2026. The gross profit margin of the Group remained at approximately 24.7% for the six months ended 30 June 2025 and 2026. The decrease in gross profit for the Period was mainly attributable to (i) the decrease in revenue; and (ii) the substantial increase in direct material costs due to sustained geopolitical tensions, which was offset by the decrease in direct labour costs and overhead.

Other Income and Gain, Net

Other income and gain, net of the Group decreased by approximately HK$1.4 million from approximately HK$6.6 million for the six months ended 30 June 2025 to approximately HK$5.2 million for the six months ended 30 June 2026. Such a decrease was mainly due to the following factors: (i) the decrease in foreign exchange gains of approximately HK$2.7 million; and (ii) the decrease in bank interest income of approximately HK$0.8 million, as a result of the combined effect of lower deposit interest rates and the decrease in bank deposits. However, such decrease was partially offset by the increase in other income and consultancy income of approximately HK$1.1 million and approximately HK$0.7 million, respectively, during the Period.

Selling and Distribution Expenses

Selling and distribution expenses of the Group increased by approximately HK$0.9 million from approximately HK$7.1 million for the six months ended 30 June 2025 to approximately HK$8.0 million for the six months ended 30 June 2026. Such an increase was mainly due to the following factors: (i) the increase in staff costs of approximately HK$0.7 million; (ii) the increase in export credit insurance premiums of approximately HK$0.3 million; and (iii) the increase in advertising and promotion expenses of approximately HK$0.1 million. However, such increase was partially offset by the decrease in transportation and customs costs of approximately HK$0.2 million due to the decrease in sales during the Period.

General and Administrative Expenses

General and administrative expenses of the Group slightly decreased by approximately HK$0.8 million from approximately HK$44.2 million for the six months ended 30 June 2025 to approximately HK$43.4 million for the six months ended 30 June 2026. Despite the increases in charitable donations of approximately HK$0.3 million and depreciation on right-of-use assets of approximately HK$0.2 million during the Period, the Group effectively controlled other general and administrative expenses. Key reductions during the Period included (i) entertainment expenses of approximately HK$0.6 million; (ii) legal and professional fees of approximately HK$0.4 million; and (iii) staff welfare expenses of approximately HK$0.3 million.

Other Expenses, Net

Other expenses, net of the Group, shifted from a net income of approximately HK$0.9 million for the six months ended 30 June 2025 to a net expense of approximately HK$6.9 million for the six months ended 30 June 2026. Such a shift of approximately HK$7.8 million was mainly due to the following factors: (i) the change from foreign exchange gains of approximately HK$2.7 million for the six months ended 30 June 2025 to foreign exchange losses of approximately HK$4.8 million for the six months ended 30 June 2026, which was mainly due to the appreciation of the RMB against the USD; (ii) the change from the reversal of impairment of trade receivables, net of approximately HK$1.0 million for the six months ended 30 June 2025 to the impairment of trade receivables, net of approximately HK$1.5 million for the six months ended 30 June 2026, which reflected an increase in credit risk exposure on the Group's trade receivables; and (iii) the increase in the loss of disposal of items of property, plant and equipment, net of approximately HK$0.5 million, during the Period.

Finance Costs

Finance costs of the Group decreased by approximately HK$0.8 million from approximately HK$1.7 million for the six months ended 30 June 2025 to approximately HK$0.9 million for the six months ended 30 June 2026. Such a decrease was due to the following factors: (i) the decrease in interest expense on bank loans for operations of approximately HK$0.5 million; and (ii) the decrease in interest expense on lease liabilities of approximately HK$0.3 million, during the Period.

Income Tax Expense

With the profit before tax of the Group decreased by approximately HK$13.3 million from approximately HK$35.3 million for the six months ended 30 June 2025 to approximately HK$22.0 million for the six months ended 30 June 2026, the income tax expense of the Group decreased by approximately HK$2.1 million from approximately HK$5.2 million for the six months ended 30 June 2025 to approximately HK$3.1 million for the six months ended 30 June 2026. The effective tax rates of the Group for the six months ended 30 June 2025 and 2026 were approximately 14.8% and 14.1%, respectively, representing a decrease of approximately 0.7 percentage point during the Period.

Net Profit

As a result of the foregoing, the net profit of the Group decreased by approximately HK$11.2 million or approximately 37.1% from approximately HK$30.1 million for the six months ended 30 June 2025 to approximately HK$18.9 million for the six months ended 30 June 2026. The net profit margin of the Group for the six months ended 30 June 2025 and 2026 were approximately 9.2% and 6.1%, respectively, representing a decrease of approximately 3.1 percentage points during the Period. The decrease in net profit during the Period was due to the following factors: (i) the decrease in revenue; (ii) the substantial increase in direct material costs due to sustained geopolitical tensions, which was offest by the decrease in direct labour costs and overhead; (iii) the change from foreign exchange gains to foreign exchange losses; and (iv) the change from the reversal of impairment of trade receivables, net to the impairment of trade receivables, net.

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 2026, 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$2.4 million (as at 31 December 2025: approximately HK$4.4 million), of which approximately HK$0.4 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 2026, the Group did not have any material contingent liabilities (as at 31 December 2025: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group undertakes certain transactions denominated in foreign currencies, mainly USD and RMB. Hence, exposure to exchange rate fluctuations arises. During the Period, the Group did not engage in foreign currency hedging and 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 considers the foreign exchange risk exposure has been at an acceptable level. The management will continue to monitor foreign exchange risk exposure closely to keep the net exposure at an acceptable level.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Except for the paragraph headed “Capital Commitments” above in this announcement, the Group did not have any other plans for material investments and capital assets as at 30 June 2026 and up to the date of this announcement.

GEARING RATIO

As at 30 June 2026, the gearing ratio of the Group (calculated by the total of interest-bearing bank borrowings divided by total equity) was approximately 7.5% (as at 31 December 2025: approximately 7.7%). 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, bank borrowings and net cash generated from operating activities. As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$77.8 million (as at 31 December 2025: approximately HK$103.6 million). Most of the Group's cash and cash equivalents were denominated in USD and RMB. As at 30 June 2026, the current ratio of the Group was approximately 1.7 times (as at 31 December 2025: 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 operations. 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.

DEBTS AND CHARGES ON ASSETS

The total interest-bearing bank borrowings of the Group amounted to approximately HK$25.4 million as at 30 June 2026 (as at 31 December 2025: approximately HK$26.3 million). As at 30 June 2026, the Group had pledged deposits of approximately HK$0.1 million (as at 31 December 2025: approximately HK$0.1 million) in support of the issue of four letters of credit by a bank and there was a mortgage loan of approximately HK$15.3 million (as at 31 December 2025: approximately HK$16.0 million) secured by a property of the Group, which had a carrying value of approximately HK$43.0 million (as at 31 December 2025: approximately HK$44.1 million). Other than the above, there were no charges made or subsisting on the assets of the Group as at 30 June 2026.

The maturity profile of the bank borrowings of the Group as at each respective period end (without taking into account of any repayment on demand clause) was as follows:

	30 June 2026 ***HK\$'000*** **(Unaudited)**	31 December 2025 *HK\$'000* (Audited)
Within one year	**11,548**	11,725
In the second year	**1,519**	1,515
In the third to fifth years, inclusive	**4,937**	4,876
Beyond five years	**7,391**	8,177
Total	**25,395**	26,293

All bank borrowings made by the Group were denominated in Hong Kong dollar and a term loan of the Group was subject to repayment on demand clause. None of the bank borrowings were at a fixed interest rate. As at 30 June 2026, all bank borrowings of the Group were at floating interest rates with reference to the Hong Kong Interbank Offered Rate (HIBOR).

PRINCIPAL RISKS AND UNCERTAINTIES

The followings are some principal risks and uncertainties faced by the Group, which may materially and 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 ongoing military conflicts between Russia and Ukraine and in the Middle East region, which may affect the European, the Middle East 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;

(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;

(vii) The Group may not be successful in the development of new initiatives or improvement in the quality of its existing products; and

(viii) The Group has operations in the PRC and Hong Kong, where transactions and cash flows are primarily denominated in RMB and USD. Therefore, the Group's financial results are exposed to foreign exchange risk due to fluctuations in currency exchange rates, particularly the appreciation or depreciation of the RMB against the USD.

SIGNIFICANT INVESTMENTS HELD

Except for the Company's investment in various subsidiaries, the Company did not hold any significant investments as at 30 June 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 1,005 full-time employees (as at 31 December 2025: 1,011). 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 options which may be granted under the share option scheme adopted by the Company at the annual general meeting held on 25 May 2023. The Group also provides induction and other on-the-job training to employees on a regular basis. The total staff costs (excluding Directors' remuneration) incurred by the Group during the Period were approximately HK$59.9 million (during the six months ended 30 June 2025: approximately HK$61.0 million).

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 2025, the Company utilised approximately HK$89.9 million of the Net Proceeds. The amount of unutilised Net Proceeds brought forward to the beginning of the Period was approximately HK$0.8 million. Below table sets out the status of application of the Net Proceeds during the Period:

	Total planned use of Net Proceeds *HK$ million*	Actual use of Net Proceeds from the Listing Date to 30 June 2026 *HK$ million*	Net Proceeds utilised during the Period *HK$ million*	Remaining balance of Net Proceeds as at 30 June 2026 *HK$ million*	Expected timeline 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	–	–	–
(C) Strengthening customer base	3.0	3.0	–	–	–
(D) Upgrading information technology systems	5.7	5.3	0.4	0.4	By June 2027
Total	90.7	90.3	0.4	0.4	

From the Listing Date to 30 June 2026, the Company utilised approximately HK$90.3 million of the Net Proceeds and the unutilised Net Proceeds as at 30 June 2026 amounted to approximately HK$0.4 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 of the Company dated 15 October 2019. 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 2027.

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 announcement.

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 announcement.

DIVIDENDS

The Board resolved to declare an interim dividend of HK3.7 cents per ordinary share (the "**Interim Dividend**"), totalling approximately HK$13.3 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$25.1 million), to Shareholders whose names appear on the register of members (the "**Register of Members**") of the Company at the close of business on Friday, 11 September 2026 as the record date.

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 Thursday, 10 September 2026 to Friday, 11 September 2026, both dates inclusive, the period during which no transfer of shares will be effected. The Interim Dividend is expected to be paid on or before Thursday, 24 September 2026 to the Shareholders whose name appear on the Register of Members on Friday, 11 September 2026, being the record date. 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, for registration not later than 4:30 p.m. on Wednesday, 9 September 2026.

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. The Company did not sell any treasury shares during the Period and did not hold any treasury shares as at 30 June 2026.

EVENTS AFTER THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 30 June 2026 and up to the date of this announcement.

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.

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 interim results as disclosed in this announcement and 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.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at "www.hkexnews.hk" and on the website of the Company at "www.townray.com". The interim report of the Company for the Period will be published on the above websites in September 2026 according to the requirements under the Listing Rules.

APPRECIATION

The Board would like to thank our management team and all our staff members for their effort and significant contribution to the Group. In addition, the Board would like to express our heartfelt gratitude to our Shareholders, institutional investors, customers, bankers, suppliers, subcontractors and business partners for their continuous support to and confidence in the Group.

By order of the Board
TOWN RAY HOLDINGS LIMITED
Chan Kam Kwong Charles
Chairman and non-executive Director

Hong Kong, 25 August 2026

As at the date of this announcement, the Board comprises Mr. Chan Wai Ming, Ms. Tang Mei Wah, Dr. Yu Kwok Wai, Mr. Lee Pak Man, Ms. Tung Ming Yiu and Mr. Luk Hok Keung as executive Directors; Dr. Chan Kam Kwong Charles and Ms. Cheng Yuk Sim Connie as non-executive Directors; and Mr. Choi Chi Leung Danny, Mr. Chan Shing Jee, Ms. Chan Tak Yi and Ms. Leung Lai Yee Edwina as independent non-executive Directors.