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**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 2025**

### **FINANCIAL HIGHLIGHTS**

- Revenue 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.
- Gross profit 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.
- Gross profit margin 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.
- Profit attributable to the equity holders of the Company for the six months ended 30 June 2025 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 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.
- Basic earnings per share was approximately HK8.38 cents for the six months ended 30 June 2025 and approximately HK13.52 cents for the six months ended 30 June 2024.
- The Board resolved to declare an interim dividend of HK7.0 cents per ordinary share in respect of the six months ended 30 June 2025, totalling approximately HK\$25.1 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 2025, together with the comparative figures for the corresponding period ended 30 June 2024.

## **INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 30 June 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>REVENUE</b>	4	<b>327,295</b>	301,933
Cost of sales		<u><b>(246,514)</b></u>	<u>(201,268)</u>
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		<u><b>(1,696)</b></u>	<u>(998)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>35,292</b>	57,025
Income tax expense	6	<u><b>(5,223)</b></u>	<u>(8,492)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>30,069</b></u>	<u>48,533</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	8		
Basic and diluted		<u><b>HK8.38 cents</b></u>	<u>HK13.52 cents</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2025*

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**30 June 2025**

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<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
<b>Total non-current assets</b>		<b>209,242</b>	218,267
<b>CURRENT ASSETS</b>			
Inventories		<b>103,125</b>	100,128
Trade and bills receivables	9	<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
<b>Total current assets</b>		<b>348,324</b>	336,189
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>108,478</b>	58,454
Other payables and accruals		<b>46,264</b>	49,411
Interest-bearing bank borrowings		<b>25,576</b>	39,975
Lease liabilities		<b>16,418</b>	16,168
Tax payable		<b>3,282</b>	1,604
<b>Total current liabilities</b>		<b>200,018</b>	165,612
<b>NET CURRENT ASSETS</b>		<b>148,306</b>	170,577
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>357,548</b>	388,844

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

#### 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	<i>Lack of Exchangeability</i>
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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.

### 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	HK\$'000
	(Unaudited)	(Unaudited)
Europe	259,930	270,240
Asia	59,922	24,002
United States	2,053	3,347
Others	5,390	4,344
	<u>327,295</u>	<u>301,933</u>
Total revenue		

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

##### (b) Non-current assets

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

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	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Customer C	<b>81,409</b>	64,691
Customer A	<b>72,096</b>	84,257
Customer B	<b>36,425</b>	42,986

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

An analysis of revenue is as follows:

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

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

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(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.



## 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>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
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.

## 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.

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

## 7. DIVIDENDS

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

## 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. TRADE AND BILLS RECEIVABLES

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

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 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
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
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Total	<b>139,603</b>	132,069
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## **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:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
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
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Total	<b>108,478</b>	58,454
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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 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.

## **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.

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.

## **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.

## **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.

## **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).

## **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 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 2025 and up to the date of this announcement.

## 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.

## 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</b>	31 December 2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(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
	<hr/>	<hr/>
Total	<b>25,576</b>	39,975
	<hr/>	<hr/>

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).

## 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;
- (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 adopted by the Company at the annual general meeting held on 25 May 2023. 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).

## **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:

	<b>Total planned use of Net Proceeds <i>HK\$ million</i></b>	<b>Actual use of Net Proceeds from the Listing Date to 30 June 2025 <i>HK\$ million</i></b>	<b>Net Proceeds utilised during the Period <i>HK\$ million</i></b>	<b>Remaining balance of Net Proceeds as at 30 June 2025 <i>HK\$ million</i></b>	<b>Expected timeline for the intended use</b>
(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
	<hr/>	<hr/>	<hr/>	<hr/>	
Total	<u>90.7</u>	<u>89.7</u>	<u>3.1</u>	<u>1.0</u>	

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.

## 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 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.

## 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.

## **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.

## **EVENTS AFTER THE REPORTING PERIOD**

As disclosed above in the paragraph headed "Future Plans for Material Investments and Capital Assets" in this announcement, 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 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 have not been audited or reviewed by auditor, but have 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 2025 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, 28 August 2025

*As at the date of this announcement, the Board comprises Mr. Chan Wai Ming, Mr. Chiu Wai Kwong, Ms. Tang Mei Wah and Dr. Yu Kwok Wai 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.*