TRANSTECH OPTELECOM SCIENCE HOLDINGS LIMITED
高科橋光導科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9963)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors of Transtech Optelecom Science Holdings Limited is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025 as follows:

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. He Xingfu* *(Chairman & Chief Executive Officer)*
Mr. Li Jianyang**
Mr. Zou Liming# *(Chief Executive Officer)*
Mr. Ren Guodong@
Mr. Xu Jinjie
Ms. Sheng Lingfei

Independent Non-executive Directors

Mr. Leong Chew Kuan
Mr. Lau Siu Hang
Mr. Li Wei

BOARD COMMITTEES

Audit Committee

Mr. Leong Chew Kuan *(Chairman)*
Mr. Lau Siu Hang
Mr. Li Wei

Remuneration Committee

Mr. Lau Siu Hang *(Chairman)*
Mr. He Xingfu *(resigned on 1 August 2026)*
Mr. Li Jianyang *(appointed on 1 August 2026)*
Ms. Sheng Lingfei
Mr. Xu Jinjie
Mr. Leong Chew Kuan
Mr. Li Wei

Nomination Committee

Mr. He Xingfu *(Chairman) (resigned on 1 August 2026)*
Mr. Li Jianyang *(Chairman) (appointed on 1 August 2026)*
Mr. Xu Jinjie
Ms. Sheng Lingfei
Mr. Leong Chew Kuan
Mr. Li Wei
Mr. Lau Siu Hang

AUTHORISED REPRESENTATIVES

Mr. He Xingfu *(resigned on 16 April 2026)*
Mr. Zou Liming *(appointed on 16 April 2026)*
Mr. Ho Cheuk Wai *(CPA)*

COMPANY SECRETARY

Mr. Ho Cheuk Wai *(CPA)*

REGISTERED OFFICE

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

* resigned Chief Executive Officer on 26 March 2026 and Chairman and executive director on 1 August 2026.

** appointed Chairman & executive director on 1 August 2026.

\# appointed on 26 March 2026.

@ resigned on 1 August 2026.

CORPORATE INFORMATION

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

No. 3 Dai Kwai Street
Tai Po Industrial Estate
Tai Po
New Territories
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
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Cayman Islands

AUDITOR

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor
29th Floor, Lee Garden Two
28 Yun Ping Road
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PRINCIPAL BANKER

Industrial and Commercial Bank
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3 Garden Road
Central
Hong Kong

Bank of China (Hong Kong) Limited
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Hong Kong

STOCK CODE

9963

COMPANY'S WEBSITE

www.transtechoptel.com

FINANCIAL HIGHLIGHTS

Interim results for the six months ended 30 June 2026 compared with the six months ended 30 June 2025.

- The Group recorded a revenue of approximately HK$143.4 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$38.7 million).
- Gross margin shifted from a gross loss margin 14.8% for the six months ended 30 June 2025 to a gross profit margin approximately 41.0% for the six months ended 30 June 2026.
- Profit attributable to the owners of the Company for the six months ended 30 June 2026 amounted to approximately HK$42.3 million (six months ended 30 June 2025: loss approximately HK$12.6 million).
- Net margin shifted from a net loss margin approximately 32.6% for the six months ended 30 June 2025 to a net profit margin of approximately 29.5% for the six months ended 30 June 2026.
- Basic profit per share amounted to approximately HK$14.2 cents for the six months ended 30 June 2026 (six months ended 30 June 2025: Basic loss per share of approximately HK$4.9 cents).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

FINANCIAL RESULTS

The board of directors (the "Board") of Transtech Optelecom Science Holdings Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 together with the comparative unaudited figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	**2026 HK$'000 (Unaudited)**	2025 HK$'000 (Unaudited)
Revenue	3	**143,411**	38,746
Cost of sales		**(84,563)**	(44,476)
Gross profit/(loss)		**58,848**	(5,730)
Other income	4	**117**	232
Other gains and losses	4	**(7,612)**	1,999
Reversal of impairment losses on trade receivables		**5,066**	2,448
Bad debt written off		**–**	(102)
Selling and distribution expenses		**(1,908)**	(2,000)
Administrative expenses		**(11,848)**	(9,472)
Finance costs	5	**(501)**	(445)
Profit/(loss) before taxation	6	**42,162**	(13,070)
Income tax credit	7	**153**	426
Profit/(loss) for the period		**42,315**	(12,644)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(7,704)**	13,284
Total comprehensive income for the period		**34,611**	640
Profit/(loss) per share			
Basic (HK cents)	9	**14.2**	(4.9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	**202,692**	208,992
Deposits for acquisition of property, plant and equipment	11	**48**	–
Deposits and prepayments	11	**23**	24
Deferred tax assets	18	**23,547**	25,007
		226,310	234,023
Current assets			
Inventories	12	**66,089**	31,419
Trade receivables	13	**40,716**	44,635
Deposits, prepayments and other receivables	11	**4,771**	6,052
Bank and cash balances		**39,459**	5,233
		151,035	87,339
Current liabilities			
Trade payables	14	**19,972**	17,354
Accruals and other payables	15	**5,088**	4,014
Contract liabilities	16	**530**	819
Bank and other borrowings	17	**24,971**	24,815
Tax payables		**79**	21
		50,640	47,023
Net current assets		**100,395**	40,316
Total assets less current liabilities		**326,705**	274,339
Non-current liability			
Provisions	19	**771**	1,196
NET ASSETS		**325,934**	273,143
Capital and reserves			
Share capital	20	**2,990**	2,600
Reserves		**322,944**	270,543
TOTAL EQUITY		**325,934**	273,143

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital (Note 1) HK$'000	Share premium (Note 2) HK$'000	Other reserve (Note 3) HK$'000	Foreign exchange reserve HK$'000	Accumulated profits HK$'000	Equity attributable to the owners of the Company HK$'000
At 1 January 2025 (Audited)	2,600	95,534	289,031	(21,006)	(11,400)	354,759
Loss for the period	–	–	–	–	(12,644)	(12,644)
Other comprehensive income	–	–	–	13,284	–	13,284
Total comprehensive income/ (expense) for the period	–	–	–	13,284	(12,644)	640
At 30 June 2025 (Unaudited)	2,600	95,534	289,031	(7,722)	(24,044)	355,399
At 1 January 2026 (Audited)	**2,600**	**95,534**	**289,031**	**(4,318)**	**(109,704)**	**273,143**
Addition for the period	**390**	**17,790**	**–**	**–**	**–**	**18,180**
Profit for the period	**–**	**–**	**–**	**–**	**42,315**	**42,315**
Other comprehensive income	**–**	**–**	**–**	**(7,704)**	**–**	**(7,704)**
Total comprehensive income/ (expense) for the period	**–**	**–**	**–**	**(7,704)**	**42,315**	**34,611**
At 30 June 2026 (Unaudited)	**2,990**	**113,324**	**289,031**	**(12,022)**	**(67,389)**	**325,934**

Note:

(1&2) Additional share capital and share premium were raised as a result of placing completed on 6 January 2026.

(3) Other reserve represents (i) the contribution made by Futong Group Co., Ltd. ("Futong China", the parent company not forming part of Transtech Optelecom Science Holdings Limited and its subsidiary (collectively referred to as the "Group")), to the Group; (ii) the change in proportionate share of the carrying amount of the net assets of Transtech Optical Communication Company Limited ("Transtech"), a subsidiary of Transtech Optelecom Science Holdings Limited (the "Company") upon change in ownership interest without gaining or losing control; and (iii) share capital and share premium of Transtech and Futong Group Communication Technology (Thailand) Co., Ltd. ("Futong Thailand"), a subsidiary of the Company.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	**20,139**	(11,064)
Investing activities		
Deposits paid for acquisition of property, plant and equipment	**(48)**	102
Purchase of property, plant and equipment	**(8,811)**	(387)
Interest received	**8**	11
Net cash used in investing activities	**(8,851)**	(274)
Financing activities		
New bank borrowings raised	**35,048**	31,363
Repayment of bank and other borrowings	**(33,670)**	(27,408)
Interest paid	**(502)**	(445)
Issue of share capital	**18,180**	–
Net cash generated from financing activities	**19,056**	3,510
Net increase/(decrease) in cash and cash equivalents	**30,344**	(7,828)
Cash and cash equivalents at the beginning of period	**5,233**	17,763
Effect of foreign exchange rate changes	**3,882**	1,630
Cash and cash equivalents at the end of period representing by bank balances and cash	**39,459**	11,565

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 6 September 2016. The Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of global offering on 20 July 2017. Then, the Company successfully transferred its share listing from GEM to Main Board on 5 November 2020. Its immediate holding company is Hong Kong Futong Optical Fiber Company Limited ("Futong HK"), a private company incorporated in Hong Kong, and the ultimate holding company is Hangzhou Futong Investments Co., Ltd., a private company incorporated in the People's Republic of China ("PRC"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" in this report.

The Company is an investment holding company. The Group's principal activity is the manufacturing and sales of optical fibre and optical fibre cable in Hong Kong and Thailand respectively.

The unaudited consolidated financial results of the Group for the six months ended 30 June 2026 (the "Consolidated Financial Results") are presented in Hong Kong dollars ("HK$"), unless otherwise stated. The Consolidated Financial Results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The Consolidated Financial Results have been prepared under the historical cost convention.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention. The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2025, except for the adoption of all the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior years. The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the unaudited consolidated financial statements.

The preparation of the Consolidated Financial Results in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Consolidated Financial Results should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2025.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The condensed consolidated financial statements have not been audited by the Company's independent auditors, but have been reviewed by the audit committee of the Company (the "Audit Committee").

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

For the six months ended 30 June 2026

Segments	Optical fibres HK$'000	Optical fibre cables, optical cable cores and other related products HK$'000	Total HK$'000
Types of goods			
Sales of goods – recognised at a point in time			
Optical fibre cables	–	49,767	49,767
Optical fibres	82,456	11,136	93,592
Other related products	–	52	52
Total	82,456	60,955	143,411

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the six months ended 30 June 2026				
	Optical fibre cables, optical cable cores and other related products HK$'000	Optical fibres HK$'000	Total segment revenue HK$'000	Elimination HK$'000	Consolidated HK$'000
Sales of optical fibre cables	49,767	–	49,767	–	49,767
Sales of optical fibre	11,136	92,250	103,386	(9,794)	93,592
Sales of related products	3,109	–	3,109	(3,057)	52
Segment revenue	64,012	92,250	156,262	(12,851)	143,411

For the six months ended 30 June 2025

Segments	Optical fibres HK$'000	Optical fibre cables, optical cable cores and other related products HK$'000	Total HK$'000
Types of goods			
Sales of goods – recognised at a point in time			
Optical fibre cables	–	37,441	37,441
Optical fibres	–	1,305	1,305
Total	–	38,746	38,746

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the six months ended 30 June 2025				
	Optical fibre cables, optical cable cores and other related products HK$'000	Optical fibres HK$'000	Total segment revenue HK$'000	Elimination HK$'000	Consolidated HK$'000
Sales of optical fibre cables	37,441	–	37,441	–	37,441
Sales of optical fibre	1,305	2,330	3,635	(2,330)	1,305
Segment revenue	38,746	2,330	41,076	(2,330)	38,746

(ii) Performance obligations for contracts with customers

The Group manufactures and sells the optical fibre cables, optical fibres, optical cable cores and other related products to customers.

For manufacturing and sales of the optical fibre cables, optical fibre, optical cable cores and other related products to the customers, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customers' specific location ("delivery").

Following the delivery, the customers have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 0 to 150 days (six months ended 30 June 2025: 14 to 360 days) upon delivery.

The Group determines its operating segments based on the reports reviewed by Mr. Zou Liming, the chief operating decision maker ("CODM") that are used to make strategic decisions. Information reported to the CODM is based on the business lines operated by the Group.

The Group's operating and reporting segments are (i) Optical fibre cables, optical cable cores and other related products, which is located in Thailand; and (ii) Optical fibres, which is located in Hong Kong.

Segment revenue and results

	Six months ended 30 June 2026				
	Optical fibre cables, optical cable cores and other related products HK$'000	Optical fibres HK$'000	Sub-total HK$'000	Elimination HK$'000	Total HK$'000
Revenue					
External sales	60,955	82,456	143,411	–	143,411
Inter-segment sales	3,057	9,794	12,851	(12,851)	–
Segment revenue	64,012	92,250	156,262	(12,851)	143,411
Segment (loss)/revenue	(24)	50,586	50,562	(2,753)	47,809
Interest income					8
Central corporate expenses					(5,154)
Finance costs					(501)
Profit before tax					42,162

	Six months ended 30 June 2025				
	Optical fibre cables, optical cable cores and other related products HK$'000	Optical fibres HK$'000	Sub-total HK$'000	Elimination HK$'000	Total HK$'000
Revenue					
External sales	37,441	1,305	38,746	–	38,746
Inter-segment sales	–	2,330	2,330	(2,330)	–
Segment revenue	37,441	3,635	41,076	(2,330)	38,746
Segment loss	(3,887)	(6,204)	(10,091)	(191)	(10,282)
Interest income					11
Central corporate expenses					(2,354)
Finance costs					(445)
Loss before tax					(13,070)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of bank interest income, corporate expenses, finance costs and income tax expense.

Inter-segment sales are charged at prevailing market rates.

Furthermore, other than other segment information disclosed, the assets and liabilities for operating segments are not provided to the Company's CODM for the purposes of resources allocation and performance assessment, and therefore no segment assets and liabilities information is presented.

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Other income:		
Income from sales of scrap products	**103**	55
Bank interest income	**8**	11
Others	**6**	166
	117	232
Other gains and losses:		
Foreign exchange (losses)/gains, net	**(7,612)**	1,897
Gain on disposal of property, plant and equipment	**–**	102
	(7,612)	1,999

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**501**	445

6. PROFIT/(LOSS) BEFORE TAXATION

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit/(loss) before taxation has been arrived at after charging:		
Auditor's remuneration	**481**	596
Depreciation of property, plant and equipment	**1,835**	2,486
Less: amount capitalised in inventories	**(1,329)**	(2,012)
	506	474
Directors' remuneration (note 21(c))	**2,210**	1,844
Other staff costs		
Salaries and other benefits	**10,739**	9,012
Retirement benefits scheme contributions	**261**	230
Total staff costs	**13,210**	11,086
Less: amount capitalised in inventories	**(6,198)**	(4,882)
	7,012	6,204
Cost of inventories recognised as an expense	**81,667**	33,937
Allowance for inventories (included in cost of sales)	**2,896**	3,010
Inventories written off (included in cost of sales)	**–**	400
Expenses relating to short-term lease (included in cost of sales, selling and distribution expenses and administrative expenses)	**4,052**	4,074
Reversal of impairment loss on trade receivables	**(5,066)**	(2,448)
Bad debt written off	**–**	102
Gain on disposals of property, plant and equipment	**–**	(102)

7. INCOME TAX CREDIT

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax		
Current Tax	**–**	–
Thailand Corporate Income Tax		
Current Tax	**(522)**	441
Thailand withholding tax	**59**	54
Deferred Tax (Note 18)	**310**	(921)
	(153)	(426)

Hong Kong Profits Tax

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of taxable profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

No provision for Hong Kong profits tax has been made as the Group has accumulated tax losses brought forward available to offset the current period assessable profits.

Thailand Corporate Income Tax

The provision for Thailand Corporate Income Tax is based on the statutory rate of 20% on the estimated assessable profits. Futong Thailand has been granted preferential tax treatments by the Board of Investment in Thailand relating to manufacturing of cables by virtue of the provisions of the Industrial Investment Promotion Act B.E.2520 of Thailand. The preferential tax treatments granted include: (i) the full exemption from payment of corporate income tax on net profit of the promoted business of the manufacturing of cables for a period of eight years ended 25 March 2021 ("Exemption Period"). No Corporate Income tax has been provided within the Exemption Period; (ii) the 50% exemption from payment of corporate income tax during the period from 26 March 2021 to 25 March 2026 ("50% Exemption Period"), 50% Corporate Income Tax has been provided by the direct application of Corporate Income Tax rate to the profit before tax of management account during the "50% Exemption Period"; and (iii) 100% Corporate Income Tax has been provided by the direct application of Corporate Income Tax rate to the profit before tax of management account after 25 March 2026.

8. DIVIDEND

No dividends were paid, declared and proposed by the Company during the current interim period (six months ended 30 June 2025: nil). The directors have determined that no dividend will be paid in respect of the current interim period.

9. PROFIT/(LOSS) PER SHARE

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit/(loss)		
Profit/(loss) attributable to the owners of the Company for the purpose of basic profit/(loss) per share	**42,315**	(12,644)
	'000	'000
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic profit/(loss) per share	**297,899**	260,000

The calculation of basic loss per share are based on the profit/(loss) for the period attributable to the equity holders of the Company, and the weighted average number of issued ordinary shares are 297,899,315 and 260,000,000 respectively for the six months ended 30 June 2026 and 30 June 2025.

The diluted profit per share amounted to approximately HK$14.2 cents for the six months ended 30 June 2026. No diluted loss per share was presented for the six months ended 30 June 2025 as there were no potential ordinary shares in issue during 2025.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired at cost, machinery of approximately HK$292,000 (six months ended 30 June 2025: HK$229,000), furniture and fixtures of approximately HK$Nil (six months ended 30 June 2025: approximately HK$3,000); office equipment of HK$77,000 (six months ended 30 June 2025: Nil); motor vehicle of approximately HK$73,000 (six months ended 30 June 2025: HK$155,000); and construction in progress of approximately HK$17,115,000 (six months ended 30 June 2025: approximately HK$2,193,000).

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Non-current portion

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Prepayments	**38,096**	37,229
Deposits for acquisition of property, plant and equipment	**4,938**	4,737
Other deposits	**23**	24
Less: Loss allowances	**(42,986)**	(41,966)
	71	24

Current portion

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Electricity deposits	**783**	783
Other deposits	**65**	65
Deposits for purchase of raw materials	**156,154**	151,392
Prepayments	**1,059**	2,177
Other receivables	**7**	3,957
Less: Loss allowances	**(153,297)**	(152,322)
	4,771	6,052

As at 31 December 2025 and 30 June 2026, included in prepayments of carrying amount approximately HK$Nil (net of impairment loss of HK$37,229,000) and HK$Nil (net of impairment loss of HK$38,069,000) respectively, represented advances made to a supplier for purchase of raw materials.

12. INVENTORIES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Raw materials and consumables	**34,865**	21,569
Work in progress	**8,421**	4,939
Finished goods	**25,008**	12,595
Goods-in-transit	**1,240**	4,140
	69,534	43,243
Less: Inventory provision	**(3,445)**	(11,824)
	66,089	31,419

13. TRADE RECEIVABLES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade receivables	**181,912**	181,831
Less: Loss allowance	**(141,196)**	(137,196)
	40,716	44,635

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment is required either in advance or upon delivery. Credit periods allowed are determined according to relevant business practice and the relevant type of goods and generally are in the range of 0 to 150 days (2025: 14 to 360 days) from the invoice date. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed and followed up regularly by senior management.

The following is an ageing analysis of the trade receivables, net of allowance for credit losses presented based on invoice date at the end of the reporting period.

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
0–180 days	**40,716**	36,710
181–270 days	**–**	7,925
271–365 days	**–**	–
Over 365 days	**–**	–
	40,716	44,635

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Renminbi ("RMB")	**3,575**	–
Thai Baht ("THB")	**30,929**	41,681
United States dollars ("USD")	**6,212**	2,954
	40,716	44,635

14. TRADE PAYABLES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade payables	**19,972**	17,354

The credit period granted to the Group by suppliers normally ranged from 30 to 90 days (2025: 30 to 180 days). The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
0–30 days	18,453	15,758
31–60 days	87	1,134
61–90 days	927	10
91–180 days	349	29
Over 180 days	156	423
	19,972	17,354

The carrying amount of the Group's trade payables are denominated in the following currencies:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
HK$	2,711	486
RMB	12,400	9,609
THB	4,789	4,286
USD	72	2,973
	19,972	17,354

15. OTHER PAYABLES AND ACCRUED CHARGES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Accrued charges	4,898	3,047
Other payables	190	967
	5,088	4,014

16. CONTRACT LIABILITIES

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Short-term advances received from customers		
– Sales of optical fibre	385	800
– Sales of optical fibre cables	145	19
	530	819

When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a 76%–100% (2025: 28%–100%) deposit depends on the contract terms.

Movements in contract liabilities:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Balance as at 1 January	819	14
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the year	(808)	(5)
Increase in contract liabilities as a result of receiving advance payment from customers	535	808
Exchange realignment	(16)	2
Balance as at 30 June/31 December	530	819

No billings in advance of performance received that is expected to be recognised as income after more than one year (2025: Nil).

17. BANK AND OTHER BORROWINGS

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Effective interest rate	HK$'000	Effective interest rate	HK$'000
Bank borrowings – unsecured	2.9%	24,971	4%	24,315
Other borrowings – unsecured	–	–	1.5%	500
		24,971		24,815

Analysed into:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
By nature		
Variable rate bank borrowings	24,971	24,315
Fixed rate other borrowings	–	500
	24,971	24,815
By maturity		
Bank borrowings repayable:		
Within one year or on demand	24,971	24,815

The carrying amount of the Group's bank borrowings is denominated in the following currencies:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
HK$	–	500
RMB	2,216	12,631
THB	22,755	11,684
	24,971	24,815

18. DEFERRED TAXATION

The following are the major deferred tax assets and (liabilities) recognised and movements thereon during the periods:

	Tax loss	Long service payment	ECL provision	Accelerated tax depreciation	Impairment on property, plant and equipment	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2025 (Audited)	1,076	83	13,765	(129)	–	14,795
Credit (Charge) to profit or loss	954	(33)	825	(825)	–	921
Exchange realignment	–	–	25	–	–	25
At 30 June 2025 (Unaudited)	2,030	50	14,615	(954)	–	15,741
At 1 January 2026 (Audited)	**1,142**	**120**	**19,626**	**(46)**	**4,165**	**25,007**
Credit (Charge) to profit or loss	**(335)**	**(38)**	**37**	**26**	**–**	**(310)**
Exchange realignment	**–**	**(5)**	**(945)**	**–**	**(200)**	**(1,150)**
At 30 June 2026 (Unaudited)	**807**	**77**	**18,718**	**(20)**	**3,965**	**23,547**

The following is the analysis of the deferred taxation for presentation purpose in the condensed consolidated statement of financial position:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Deferred tax assets	**23,547**	25,007

19. PROVISIONS

	Long service payment HK$'000
As at 31 December 2025 and 1 January 2026	**1,196**
Amount reversed during the period	**(378)**
Exchange realignment	**(47)**
As at 30 June 2026	**771**

The Group provides for the probable future long service payment expected to be made to employees under the Employment Ordinance in Thailand. The provision represents management's best estimate of the probable future payments which have been earned by the employees from their services to the Group up to the end of the reporting period.

20. SHARE CAPITAL

	Number of shares	HK$'000
Authorised		
At 31 December 2025 and 30 June 2026		
– ordinary shares of HK$0.01 each	1,000,000,000	10,000
Issued and fully paid		
At 31 December 2025	260,000,000	2,600
At 30 June 2026	298,976,000	2,990

21. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with the following related parties:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Related Company		
Futong Group International Limited^		
Rental expenses related to short-term lease in respect of plant and office premises#	**3,900**	3,900
Yinhu Optical Fiber (Tianjin) Co., Ltd.*#		
Purchase of optical fibre preforms	**7,297**	–

^ Controlled by a shareholder of Hangzhou Futong Investments Co. Ltd., ultimate holding company of the Company.

* Significantly influenced by Hangzhou Futong Investments Co., Ltd., the ultimate holding company of the Company.

The related party transactions are also defined as continuing connected transactions under the Listing Rules.

(b) Balances with related parties

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Related company		
Futong Group International Limited		
Other payables	**–**	650
Yinhu Optical Fiber (Jiaxing) Co., Ltd.*		
Prepayment	**697**	–
Yinhu Optical Fiber (Tianjin) Co., Ltd.*		
Trade payables	**3,897**	–

(c) Compensation of key management personnel

The remuneration of key management personnel who are the directors is determined with reference to the performance of individual and market trends.

The remuneration of key management personnel during each of the periods of six months ended 30 June 2025 and 30 June 2026 respectively, were as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Short-term benefits	**2,191**	1,825
Post-employment benefits	**19**	19
	2,210	1,844

22. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2026 (unaudited) and 31 December 2025 (audited).

23. APPROVAL OF THE FINANCIAL STATEMENTS

The interim financial statements have been approved and authorised for issue by the Company's board of directors on 27 August 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has recorded better financial results for the six months ended 30 June 2026 (the "Reporting Period"). It recorded a total revenue of approximately HK$143.4 million representing an increase of approximately 270.5% as compared with the six months ended 30 June 2025 (the "Last Period"). The Group has realised a gross profit of approximately HK$58.8 million for the Reporting Period, which represented an increase of profit approximately 1,131.6% as compared with the one for the Last Period. Profit for the Reporting Period attributable to the owners of the Company was approximately HK$42.3 million, which represented an increase in profit of approximately 435.7% as compared with the Last Period. The increase in revenue was mainly attributable to the increase in sale of optical fibre cables by approximately 33.2% to approximately HK$49.8 million (the Last Period: approximately HK$37.4 million). The sale of optical fibre increased by approximately 7,100% to approximately HK$93.6 million (the Last Period: approximately HK$1.3 million).

During the first half of 2026, one financing activity and one investing activity were proceeded as shown below:

(i) Placing

On 17 December 2025, the Company and the placing agents entered into the placing agreement, pursuant to which the Company has agreed to place, through the placing agents on a best effort basis, to not less than six places, for up to 52,000,000 placing shares at the placing price of HK$0.476 per placing share (the "Placing"). The Placing was completed on 6 January 2026 and a total of 38,976,000 placing shares have been successfully placed. The Company received net proceeds, after deducting the related expenses, from the Placing amounted to approximately HK$18.2 million.

Reference should be made to the announcement dated 6 January 2026.

(ii) Major and connected transaction in relation to acquisition of equity interest in a target company

A wholly-owned subsidiary of the Company ("the Buyer") and an independent third party ("the Seller") entered into an Acquisition Agreement on 13 April 2026, pursuant to which the Buyer agreed to purchase, and the Seller agreed to sell the shares, representing the entire equity interest in a target company. The sale and purchase of shares was completed on 21 July 2026.

Reference should be made to the announcements dated 13 April 2026, 13 May 2026, 14 May 2026 and 21 July 2026 and circular dated 26 June 2026.

Review

Starting in the first half of 2026, the global optical fiber cables market has seen a fundamental reversal of its supply surplus, with demand driven by two key factors: domestic and international markets, as well as traditional telecommunications and emerging computing power. Among these, AI computing infrastructure has emerged as the core driving force.

AI-related demand has become the core driver of growth. The amount of fiber used for internal interconnections within a single 10,000-GPU cluster is 3 to 10 times that of a traditional data center, driving explosive growth in demand for high-end products such as high-speed interconnects and low-loss solutions.

The industry is accelerating its transition toward energy efficiency, environmental protection, and high end development, with green specialty optical cables and eco-friendly optical cables emerging as new market hotspots. The national "15th Five-Year" development plan proposes moderately advancing the construction of new infrastructure and strengthening the efficient supply of computing power, algorithms, and data.

Futong Thailand

In the first half of 2026, Futong Thailand had slightly improvement of performance due to the slow recovery in the local and ASEAN countries. Although the gross profit of Futong Thailand increased from approximately HK$1.2 million for the six months ended 30 June 2025 to approximately HK$7.9 million for the six months ended 30 June 2026, the loss before tax of Futong Thailand decreased from approximately HK$3.9 million to approximately HK$0.9 million over the same period. The loss was primarily attributable to foreign exchange losses, which rose from approximately HK$0.3 million for the six months ended 30 June 2025 to approximately HK$9.6 million for the six months ended 30 June 2026, representing an increase of about 3,100%.

The sales revenue of optical fibre cables in Thailand increased from approximately HK$30.6 million during the six months ended 30 June 2025 to approximately HK$47.1 million during the same period in the year 2026 due to the increase in sales volume and selling price. The sales in the other countries decreased from approximately HK$6.8 million during the six months ended 30 June 2025 to approximately HK$2.7 million during the same period in the year 2026 mainly because the sales in Germany decreased from approximately HK$5.6 million during the six months ended 30 June 2025 to approximately HK$Nil million during the same period in the year 2026 and sales in Korea increased from approximately HK$Nil million during the six months ended 30 June 2025 to approximately HK$7.1 million during the same period in the year 2026.

On the other hand, the gross profit margin of Futong Thailand increased from approximately 3.0% for the six months ended 30 June 2025 to approximately 12.4% for the six months ended 30 June 2026. It is mainly attributable to the net effect of (i) the increase in sales volume and selling price of optical fibre cables in Thailand local market; (ii) the decreased demand in the oversea optical fibre cables market; and (iii) the increase of sales volume and selling price of optical fibre in oversea countries.

Transtech

Transtech's performance was greatly improved by the high selling price and high demand of optical fibre in the first six months ended 30 June 2026. The production line was almost fully operated and products were sold to Futong Thailand internally and independent third party customers externally during the Reporting Period. The Transtech management has taken appropriate actions to maximize production capacity to increase its output such as purchase more machines and recruit more skilled labours.

Transtech has reported its revenue and net profit in amount of approximately HK$82.5 million and HK$50.4 million respectively for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately revenue HK$2.3 million and net loss HK$6.5 million respectively), representing increase of approximately 3,487.0% and increase of approximately 875.4% respectively. It is attributed by the relief of over supply of optical fibres and the demand for optical fibres was increased greatly due to the prosperous development of artificial intelligence and drone during the reporting period.

OUTLOOK

Starting in the second half of 2025, the global optical fiber market has seen a fundamental reversal of its supply surplus, with demand driven by two key factors: domestic and international markets, as well as traditional telecommunications and emerging computing power. Among these, AI computing infrastructure will emerge as the core driving force. Forecasts from major global institutions indicate that total global demand for optical fiber will rise further in 2026, while the supply-demand gap in overseas markets will continue to widen.

China's optical fiber industry will shift further from a recovery in scale to a focus on value enhancement in the second half of 2026. The demand structure will continue to optimize, and the industry will gradually return to a healthy growth trajectory after enduring prolonged price competition. The scope of applications will expand from traditional operator access networks to high-value-added scenarios such as internal interconnections within data centers, upgrades to backbone transmission networks, and all-optical industrial parks. As a result, the price floor for optical fiber will steadily rise, and the industry's overall profit flexibility will continue to be realized.

Forecasts from major global institutions indicated that total global demand for optical fiber would rise further in 2026. The demand effect is expected to fully materialize in 2026, further driving the growth of market demand, continuing to increase investment in fiber-optic network construction, propelling the market toward high-end and intelligent development.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, total revenue of the Group was approximately HK$143.4 million representing an increase of approximately 270.5% as compared with the corresponding period in 2025.

The increase is mainly attributable to the increased demand in the optical fibre cable and optical fibre market.

Cost of sales and gross profit

The key components of the Group's cost of sales comprised principally the (i) raw materials used for production of optical fibres, optical fibre cables, optical cable cores and other related products, (ii) direct and indirect labour costs, (iii) manufacturing overheads such as depreciation for plant and equipment and right-of-use assets, rent, consumables, utilities, and other expenses related to the manufacturing our products and (iv) change in inventories of finished goods and work in progress.

For the six months ended 30 June 2026, the cost of sales of the Group increased by about 90.1% to approximately HK$84.6 million as compared with the corresponding period in 2025. Such increase was mainly attributable to the increased production volume and unit cost of optical fibre and decreased production volume of optical fibre cable during the six months ended 30 June 2026.

The gross profit of the Group increased from loss approximately HK$5.7 million, for the six months ended 30 June 2025 to profit approximately HK$58.8 million for the six months ended 30 June 2026. The gross margin shifted from a gross loss margin approximately 14.8% for the six months ended 30 June 2025 to gross profit margin approximately 41.0% for the six months ended 30 June 2026. This is mainly attributable to the increase of the gross profit margin of optical fibres for the six months ended 30 June 2026 by approximately 62.0% as compared to the corresponding period in 2025. Nevertheless, the gross profit margin of optical fibre cables increased by approximately 10.3% for the six month ended 30 June 2026.

Reversal of impairment losses on trade receivables

Impairment loss allowance for trade receivables represented expected credit losses on trade receivables, which increased by approximately HK$2.3 million, or approximately 1.7% from a loss allowance of approximately HK$138.9 million for the first half of 2025 to a loss allowance of approximately HK$141.2 million for the first half of 2026.

Other Income, Gain and Losses

The Group recognised foreign exchange losses of approximately HK$7.6 million for the six months ended 30 June 2026 as compared with approximately HK$1.9 million exchange gains for the six months ended 30 June 2025, mainly due to the fluctuation of exchange rates among Renminbi ("RMB"), Hong Kong Dollar ("HK$"), Thai Baht ("THB"), and United States dollar ("US$") during the period.

Selling and distribution expenses

Selling and distribution expenses comprised mainly staff cost, sales commission expense, transportation expense, export cost and other selling and distribution expenses.

The Group's selling and distribution expenses decreased from approximately HK$2.0 million for the six months ended 30 June 2025 to approximately HK$1.9 million for the six months ended 30 June 2026, representing a decrease of approximately 5.0%.

The decrease in the selling and distribution expenses for the six months ended 30 June 2026 was mainly due to the net effect of decrease in sales commission expenses and increase in export cost as there was increase in sales of optical fibre.

Administrative expenses

Administrative expenses primarily consist of (i) staff cost, (ii) office expense, which comprises the expense for office supplies, electricity and water expense, rental expense, security fee and repair and maintenance expense, (iii) depreciation, (iv) operation management fee, (v) transportation expense, which comprises travelling expense and motor vehicle expense, (vi) professional fee, which comprises audit fee and legal and professional expense, and (vii) other expense, which comprises bank charges and miscellaneous expense.

The Group's administrative expenses increased from approximately HK$9.5 million for the six months ended 30 June 2025 to approximately HK$11.8 million for the six months ended 30 June 2026, representing an increase of approximately 24.2%.

The increase in the administrative expenses for the six months ended 30 June 2026 was mainly attributable to the net effect of (i) the increase in staff cost; (ii) the increase in legal and professional expenses due to the acquisition of subsidiary; and (iii) the decrease in other expenses.

Finance costs

Finance costs represent the interest expense on bank borrowings. The finance costs of the Group increased from approximately HK$0.4 million for the six months ended 30 June 2025 to approximately HK$0.5 million for the six months ended 30 June 2026 mainly due to the increase of bank borrowings for the six months ended 30 June 2026.

Taxation

Hong Kong Profits Tax

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of taxable profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Thailand Corporate Income Tax

The provision for Thailand Corporate Income Tax is based on the statutory rate of 20% on the estimated assessable profits. Futong Thailand has been granted preferential tax treatments by the Board of Investment in Thailand relating to manufacturing of cables by virtue of the provisions of the Industrial Investment Promotion Act B.E.2520 of Thailand. The preferential tax treatments granted include: (i) the full exemption from payment of corporate income tax on net profit of the promoted business of the manufacturing of cables for a period of eight years ended 25 March 2021 ("Exemption Period"). No Corporate Income tax has been provided within the Exemption Period; and (ii) the 50% exemption from payment of corporate income tax during the period from 26 March 2021 to 25 March 2026 ("50% Exemption Period"), 50% Corporate Income Tax has been provided by the direct application of Corporate Income Tax rate to the profit before tax of management account during the "50% Exemption Period".

Income tax credit decreased by approximately 50.0% from a tax credit of approximately HK$0.4 million for the six months ended 30 June 2025 to a tax credit of approximately HK$0.2 million for the six months ended 30 June 2026. Such decrease was mainly caused by the decrease of Futong Thailand tax credit recorded during the Reporting Period.

Profit/loss for the period

Profit attributable to owners of the Company for the six months ended 30 June 2026 amounted to approximately HK$42.3 million (six months ended 30 June 2025: loss approximately HK$12.6 million).

The shift from loss attributable to owners of the Company for the six months ended 30 June 2025 to the corresponding period in 2026 was mainly attributable to the net effects of (i) the increase of foreign exchange losses; (ii) the increase of gross profit; (iii) the increase of administrative expenses; and (iv) the increase of reversal of loss allowance for trade receivables under expected credit loss model.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's principal sources of funds are used to finance working capital, and the growth and expansion of the Group's operations and sales network. The Group's principal sources of funds are cash generated from operations and bank borrowings. The Group had cash and cash equivalents of approximately HK$39.5 million as at 30 June 2026 (31 December 2025: approximately HK$5.2 million). As at 30 June 2026, the Group had total bank and other borrowings of approximately HK$25.0 million (31 December 2025: approximately HK$24.8 million). In the details of the bank and other borrowings can be referenced to note 17 of the unaudited condensed consolidated financial statements.

GEARING RATIO

Gearing ratio is calculated as total borrowings (including payables not incurred in the ordinary course of business of the Group) divided by the total equity as at the respective reporting dates. Gearing ratio decreased from approximately 8.7% as at 31 December 2025 to approximately 7.7% as at 30 June 2026. Such decrease was the net effect resulted from the repayment of bank borrowings and total equity increased mainly due to the profit for the period.

CAPITAL STRUCTURE AND PLACING

As at 30 June 2026, the Company's authorized and issued share capital were HK$10,000,000 and HK$2,989,760 respectively. The number of its issued ordinary shares was 298,976,000 of HK$0.01 each.

The Company allotted and issued 38,976,000 new shares at the placing price of HK$0.476 per placing share on 6 January 2026, details can be referred to announcement dated 6 January 2026. The capital of the Company only comprises of ordinary shares.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintain sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

CONTINGENT LIABILITIES AND LITIGATION

As at 30 June 2026, the Group had no material contingent liabilities and litigation (31 December 2025: nil).

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is dedicated to reducing its impacts to the environment from its factories and offices through mitigating the environmental pollutions and utilising resource efficiently. The Group strives to comply with related environmental laws and legislations, and continual improvement on its performance. For details, please refer to the Environmental, Social and Governance Report in the 2025 Annual Report issued by the Company dated 31 March 2026 (the "ESG Report").

KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group strives to maintain a good relationship with its employees, customers and suppliers. For more details on how it creates a motivated workplace for its employees, produce quality products to satisfy its customers' expectations and, establish long-term relationships with its suppliers, please refer to the ESG Report.

CHARGE OF ASSETS

The Group has entered into a credit and loan agreement on 27 February 2025 of which Futong Thailand was granted by a bank with a credit limit which is subject to annual review. As at 30 June 2026 and up to the date of this Interim Report, the credit limit was THB125 million (equivalent to approximately HK$29,438,000). Being one of the terms of the agreement, Futong Thailand has pledged a piece of land in Rayong, Thailand with an area of 62,764 square meters and the building thereon. The pledge period is valid for 30 years ending on 26 February 2055.

Saved as disclosed above, the Directors are not aware of any other significant charge of assets requiring disclosure that has taken place subsequent to 30 June 2026 and up to the date of approval of this report.

FOREIGN CURRENCY RISK

Our Group's foreign currency exposures arise mainly from the exchange rate movements of the US$ and RMB against THB and RMB against HK$. Any depreciation of THB will reduce the amount of revenue we generate in Thailand in terms of our reporting currency and adversely impact our results of operations. Similarly, Transtech might also suffer exchange loss if RMB depreciates against HK$ because some of the sales revenue are fixed in the currency of RMB. However, our Group has established a foreign currency risk management policy to monitor and manage foreign currency risks.

INTEREST RATE RISK

The Group's fair value interest rate risk relates primarily to its fixed rate bank deposits, lease liabilities and bank borrowings. The Group is also exposed to cash flow interest rate risk through the impact of rate changes on variable interest bearing financial assets, mainly restricted bank balances and bank balances which carried at prevailing market interest rates. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. The management of the Group maintains a balanced portfolio of fixed rate and variable rate borrowings.

CREDIT RISK

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to trade receivables arising from contracts with customers and other receivables. In order to minimise the credit risk, the senior management are responsible for determination of credit limits and monitoring procedures to ensure that follow-up action is taken to recover overdue debtors. In this regard, the Directors consider that the Group's credit risk is significantly reduced. Besides, the management of the Group performs impairment assessment on individual debtor basis to estimate the amount of expected credit loss of trade and other receivables based on internal credit ratings, ageing, collateral, repayment history and/or past due status of respective other receivables and adjusted for forward-looking information. For bank deposits and balances, the management of the Group assessed that the Group's bank deposits and bank balances are at low credit risk because they are placed with reputable banks with higher internal credit ratings with reference to international credit-rating agencies, and expected credit loss ("ECL") is insignificant. The Directors have the opinion that the Group have taken appropriate action to manage the credit risk.

LIQUIDITY RISK

The Group's management monitors the Group's cash flow positions on a regular basis to ensure the cash flows of the Group are closely controlled. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

CAPITAL COMMITMENTS

As at 30 June 2026 and 31 December 2025, the Group has no capital commitments.

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investment in equity interest in any other company during the Reporting Period.

USE OF PROCEEDS

Reference is made to the announcement of the Company dated 6 January 2026 ("Announcement") in relation to the placing of 38,976,000 new Shares under General Mandate, the Placing Shares have been successfully placed at the Placing Price of HK$0.476 per placing share. After deducting the placing commission payable to the Joint Placing Agents and other costs and expenses incurred in the Placing, the aggregate net proceeds from the Placing amounted to approximately HK$18.22 million.

The Company intends to use approximately HK$5.97 million or 32.8% of net proceeds for repayment of bank and other borrowings and HK$12.25 million (i.e. HK$0.75 million for audit fee, HK$7.80 million for rent and HK$3.70 million for salary) or 67.2% of the net proceeds for general working capital during the year ending 31 December 2026.

As at 30 June 2026, part of the net proceeds are used in the manner shown below.

Progress on Uses of Proceeds

Uses as Stated in the Announcement dated 6 January 2026	Proposed amount to be used (HK$million)	Actual amount utilized up to 30 June 2026 (HK$million)	Unused amount as at 30 June 2026 (HK$million)	Uses
Approximately 32.8% of the net proceeds will be used for repayment of bank and other borrowings	5.97	5.97	0	Repayment of Futong Thailand bank loan during the reporting period
Approximately 67.2% of the net proceeds will be used for general working capital including:				
(i) audit fee	0.75	0.75	0	2025 statutory audit
(ii) rent	7.8	3.9	3.9	Licence fee for Transtech factory in Hong Kong
(iii) salary	3.7	3.7	0	Remuneration paid to staff in Hong Kong
Total	18.22	14.32	3.9	

It is estimated the unused amount HK$3.90 million will be used in the year ending 31 December 2026.

EMPLOYEE AND EMOLUMENT POLICIES

As at 30 June 2026, the employee headcount (including Directors) of the Group was 171 (31 December 2025: 155) and the total staff costs, including directors' emoluments, amounted to approximately HK$13.2 million during the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$11.1 million). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed and approved by the Board of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans for material investments and capital assets.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

References were made to circular dated 26 June 2026 and announcement dated 21 July 2026 in relation to the acquisition of a wholly-owned subsidiary, Hao Min Investment Holding Limited, was completed on 21 July 2026. Save for the above-mentioned acquisition, the Group had no material acquisition or disposal of subsidiaries or associated companies during the six months ended 30 June 2026 and up to the date of this report. In addition, the Group had no significant investments held during the six months ended 30 June 2026.

DISCLOSURE OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

(a) Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As the period from the six months ended 30 June 2026, none of the Directors and chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Security Transactions by Directors of Listed Issuers (the "Model Code").

Note: Mr. Li Jianyang, appointed to be chairman of the Board and executive director on 1 August 2026, holds 2,118,000 shares as at the date of this report.

(b) Substantial Shareholders' Interest in Shares or Underlying Shares of the Company

So far as is known to the Directors, as the period from the six months ended 30 June 2026, the following persons, other than a Director or a chief executive of the Company, had interest or short position in the shares and/or the underlying shares which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Nature of interest	Number of shares held[1]	As at 30 June 2026 Approximate shareholding percentage
Mr. Wang Jianyi ("Mr. Wang")[2]	Interest in a controlled corporation	195,000,000 (L)	65.2%
Futong Investments[3]	Interest in a controlled corporation	195,000,000 (L)	65.2%
Futong China[4]	Interest in a controlled corporation	195,000,000 (L)	65.2%
Hangzhou Futong Optical Communication Investments Co., Ltd. ("Futong Optical Communication")[5]	Interest in a controlled corporation	195,000,000 (L)	65.2%
Futong HK	Beneficial interest	195,000,000 (L)	65.2%

Notes:

(1) The letter "L" denotes a person's "long position" in such shares.

(2) Our Company is directly owned as to 65.2% by Futong HK. Futong HK is owned as to 100% by Futong Optical Communication which is in turn owned as to 100% by Futong China. Futong China is owned as to 80% by Futong Investments. As Futong Investments is owned as to 100% by Mr. Wang, Mr. Wang is deemed to be interested in the same number of shares of the Company held by Futong HK under the SFO.

(3) Our Company is directly owned as to 65.2% by Futong HK. Futong HK is owned as to 100% by Futong Optical Communication which is in turn owned as to 100% by Futong China. As Futong China is owned as to 80% by Futong Investments, Futong Investments is deemed to be interested in the same number of shares of the Company held by Futong HK under the SFO.

(4) Our Company is directly owned as to 65.2% by Futong HK. Futong HK is owned as to 100% by Futong Optical Communication which is in turn owned as to 100% by Futong China. Therefore, Futong China is deemed to be interested in the same number of shares of the Company held by Futong HK under the SFO.

(5) Our Company is directly owned as to 65.2% by Futong HK. By virtue of Futong Optical Communication's 100% shareholding in Futong HK, Futong Optical Communication is deemed to be interested in the same number of shares of the Company held by Futong HK under the SFO.

As a result of the acquisition of a wholly-owned subsidiary on 21 July 2026, Optel Technology Limited received 48,367,000 shares of the Company as Consideration Shares. Details should be referred to the circular and announcement dated 26 June 2026 and 21 July 2026 respectively.

On 14 August 2026, the Company and the placing agents entered into the placing agreement, pursuant to which the Company has agreed to place, through the placing agents on a best effort basis, to not less than six places, for up to 40,000,000 placing shares at the placing price of HK$7.000 per placing share. Reference should be made to the announcement dated 14 August 2026.

Save as disclosed above, as the period from the six months ended 30 June 2026, the Directors were not aware of any other persons or companies who had any interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO. None of the substantial shareholders have pledged all or part of their interest in the Company's Shares for the six months ended 30 June 2026.

OTHER INFORMATION

DIVIDENDS

The Board did not recommend a payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

SHARE OPTION SCHEME

The Company has no share option scheme.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 June 2026 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PUBLIC FLOAT

According to the information disclosed publicly and as far as the Directors are aware, during the six months ended 30 June 2026 and up to the date of this report, at least 25% of the issued shares of the Company are held by public Shareholders and the Company has maintained the prescribed public float required by the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Appendix 10 to the Listing Rules. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the Code of Conduct for the six months ended 30 June 2025 and up to the date of this report.

COMPETING INTERESTS

As at 30 June 2026, save as disclosed in "Relationship with Controlling Shareholders" section of the Prospectus, none of the Directors, and the controlling shareholders of the Company and their respective close associates has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group.

AUDIT COMMITTEE

The Company has established an audit committee with the written terms of reference in compliance with the Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Leong Chew Kuan, who has the appropriate accounting and financial related management expertise and serves as the chairman of the audit committee, Mr. Lau Siu Hang and Mr. Li Wei.

The primary functions of the Audit Committee are to assist the Board in reviewing the financial information, overseeing the financial reporting system, risk management, internal control systems and relationship with external auditor, and arrangements to enable employees of the Company to raise concerns under the protection of confidentiality about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group's unaudited condensed consolidated interim results for the six months ended 30 June 2026 have been reviewed by the Audit Committee pursuant to the relevant provisions contained in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules and was of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosure has been made in respect thereof.

CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

The Company has adopted the CG Code as its own code of corporate governance practices. The Company has complied with the code provisions as set out in the CG Code during the six months ended 30 June 2026. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code. The Company is committed to maintaining a high standard of corporate governance and believes that a good corporate governance can (i) enhance management effectiveness and efficiency; (ii) increase the transparency of the Company; (iii) enhance risk management and internal control of the Company; and (iv) safeguard the interests of the shareholders of the Company and the Company as a whole.

OTHER INFORMATION

Pursuant to the HKEX Corporate Governance Code, the roles of Chairman and Chief Executive Officer (CEO) should be separated and held by different individuals. Therefore, our chairman, Mr. He Xingfu, resigned as CEO and authorized representative on 25 March 2026 and 16 April 2026 respectively. Meanwhile, Mr. Zou Liming ("Mr. Zou") was appointed as executive director and CEO on 25 March 2026 and as authorized representative on 16 April 2026. Our directors believed this segregation would create a vital balance of power, ensuring a clear distinction between board management and day-to-day business operations.

Mr. He Xingfu also resigned as chairman and executive director on 1 August 2026. Mr. Li Jianyang was appointed as chairman and executive director on 1 August 2026.

Mr. Li and Mr. Zou confirmed their understanding of their obligation as a director of a listed issuer and completed the mandatory training as required by HKEX.

EVENTS AFTER THE REPORTING PERIOD

The Company successfully purchased the entire equity interest in a target company, Hao Min Investment Holdings Limited, from Optel Technology Limited which received 48,367,000 shares of the Company as consideration on 21 July 2026. Please refer details to circular dated 26 June 2026 and announcement dated 21 July 2026.

Mr. Ren Guodong resigned as executive director effective from 1 August 2026 and Mr. He Xingfu resigned as Chairman, executive director, member of Remuneration Committee and Chairman of Nomination Committee on 1 August 2026. Meanwhile, Mr. Li Jianyang was appointed as chairman and executive director on 1 August 2026. Please refer announcement dated on 31 July 2026.

On 14 August 2026, the Company and the placing agents entered into the placing agreement, pursuant to which the Company has agreed to place, through the placing agents on a best effort basis, to not less than six places, for up to 40,000,000 placing shares at the placing price of HK$7.000 per placing share. Reference should be made to the announcement dated 14 August 2026.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2026 and up to the approval date of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the six months ended 30 June 2026, the Group was not aware of any non-compliance with any relevant laws and regulations that has a significant impact on it.

PUBLICATION OF THE INTERIM REPORT

This interim report is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.transtechoptel.com).

By Order of the Board
Transtech Optelecom Science Holdings Limited
Li Jianyang
Chairman & Executive Director

Hong Kong, 27 August 2026

As at the date of this report, the executive Directors are Mr. Li Jianyang, Mr. Zou Liming, Mr. Xu Jinjie and Ms. Sheng Lingfei; and the independent non-executive Directors are Mr. Li Wei, Mr. Leong Chew Kuan and Mr. Lau Siu Hang.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and on the Company's website (http://www.transtechoptel.com). The interim report for the six months ended 30 June 2026 will be despatched to the shareholders and also available on the above websites.

By order of the Board
Transtech Optelecom Science Holdings Limited
Li Jianyang
Chairman & Executive Director

Hong Kong, 27 August 2026

As at the date of this announcement. the executive Directors of the Company are Mr. Li Jianyang, Mr. Zou Liming, Mr. Xu Jinjie and Ms. Sheng Lingfei and the independent non-executive Directors of the Company are Mr. Li Wei, Mr. Leong Chew Kuan, and Mr. Lau Siu Hang.