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**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 2025**

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 2025, together with the comparative figures for the corresponding period in 2024 as follows:

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. He Xingfu  
(*Chairman & 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  
Ms. Sheng Lingfei  
Mr. Leong Chew Kuan  
Mr. Li Wei

### Nomination Committee

Mr. He Xingfu (*Chairman*)  
Mr. Xu Jinjie  
Mr. Leong Chew Kuan  
Mr. Li Wei  
Mr. Lau Siu Hang

## AUTHORISED REPRESENTATIVES

Mr. He Xingfu  
Mr. Ho Cheuk Wai (*CPA*)

## COMPLIANCE OFFICER

Mr. He Xingfu

## COMPANY SECRETARY

Mr. Ho Cheuk Wai (*CPA*)

## REGISTERED OFFICE

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

## 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

# CORPORATE INFORMATION

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

## AUDITOR

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

## PRINCIPAL BANKER

Industrial and Commercial Bank  
of China (Asia) Limited  
33/F, ICBC Tower  
3 Garden Road  
Central  
Hong Kong

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

## STOCK CODE

9963

## COMPANY'S WEBSITE

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

## FINANCIAL HIGHLIGHTS

Interim results for the six months ended 30 June 2025 compared with the six months ended 30 June 2024.

- The Group recorded a revenue of approximately HK\$38.7 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$72.9 million).
- Gross loss margin increased by approximately 11.0% from 3.8% for the six months ended 30 June 2024 to gross loss margin approximately 14.8% for the six months ended 30 June 2025.
- Loss attributable to the owners of the Company for the six months ended 30 June 2025 amounted to approximately HK\$12.6 million (six months ended 30 June 2024: loss approximately HK\$13.7 million).
- Net loss margin increased by approximately 13.8% from net loss margin 18.8% for the six months ended 30 June 2024 to net loss margin of approximately 32.6% for the six months ended 30 June 2025.
- Basic loss per share amounted to approximately HK\$4.9 cents for the six months ended 30 June 2025 (six months ended 30 June 2024: Basic loss per share of approximately HK\$5.3 cents).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: 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 2025 together with the comparative unaudited figures for the corresponding period in 2024 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>38,746</b>	72,852
Cost of sales		(44,476)	(75,610)
<b>Gross loss</b>		<b>(5,730)</b>	(2,758)
Other income	4	232	216
Other gains and losses	4	1,999	(1,862)
Reversal of impairment losses on trade receivables		2,448	2,233
Bad debt written off		(102)	–
Selling and distribution expenses		(2,000)	(1,892)
Administrative expenses		(9,472)	(9,295)
Finance costs	5	(445)	(810)
Loss before taxation	6	(13,070)	(14,168)
Income tax credit	7	426	488
Loss for the period		(12,644)	(13,680)
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		13,284	(17,528)
Total comprehensive income/(expense) for the period		640	(31,208)
<b>Loss per share</b>			
Basic (HK cents)	9	(4.9)	(5.3)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	239,387	225,965
Deposits for acquisition of property, plant and equipment	11	4,004	3,881
Deposits and prepayments	11	23	30
Deferred tax assets	18	15,741	14,795
		259,155	244,671
<b>Current assets</b>			
Inventories	12	34,725	35,069
Trade receivables	13	33,846	35,048
Deposits, prepayments and other receivables	11	62,358	62,480
Tax receivables		–	–
Bank balances and cash		11,565	17,763
		142,494	150,360
<b>Current liabilities</b>			
Trade payables	14	10,474	10,253
Other payables and accrued charges	15	3,838	3,425
Contract liabilities	16	486	14
Tax payable		71	447
Bank and other borrowings	17	30,875	25,300
		45,744	39,439
<b>Net current assets</b>		96,750	110,921
<b>Total assets less current liabilities</b>		355,905	355,592
<b>Non-current liabilities</b>			
Provision for long service payments	19	506	833
<b>Net assets</b>		355,399	354,759
<b>Capital and reserves</b>			
Issued share capital	20	2,600	2,600
Reserves		352,799	352,159
<b>Total Equity</b>		355,399	354,759

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Foreign exchange reserve HK\$'000	Accumulated profits HK\$'000	Equity attributable to the owners of the Company HK\$'000
At 1 January 2024 (Audited)	2,600	95,534	289,031	(20,249)	83,446	450,362
Loss for the period	-	-	-	-	(13,680)	(13,680)
Other comprehensive expense	-	-	-	(17,528)	-	(17,528)
Total comprehensive expense for the period	-	-	-	(17,528)	(13,680)	(31,208)
At 30 June 2024 (Unaudited)	2,600	95,534	289,031	(37,777)	69,766	419,154
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

Note: 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 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash used in operating activities	(11,064)	(1,973)
Investing activities		
Deposits paid for acquisition of property, plant and equipment	102	–
Purchase of property, plant and equipment	(387)	(137)
Interest received	11	15
Net cash used in investing activities	(274)	(122)
Financing activities		
New bank borrowings raised	31,363	30,727
Repayment of bank borrowings	(27,408)	(35,650)
Interest paid	(445)	(810)
Net cash generated from/(used in) financing activities	3,510	(5,733)
Net decrease in cash and cash equivalents	(7,828)	(7,828)
Cash and cash equivalents at the beginning of period	17,763	14,489
Effect of foreign exchange rate changes	1,630	932
Cash and cash equivalents at the end of period representing by bank balances and cash	11,565	7,593

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 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 2025 (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 2024, 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 2025. 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 2024.

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 2025

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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
<b>Segment revenue</b>	<b>38,746</b>	<b>2,330</b>	<b>41,076</b>	<b>(2,330)</b>	<b>38,746</b>

## For the six months ended 30 June 2024

Segments	Optical fibres HK\$'000	Optical fibre cables, optical cable cores and other related products HK\$'000	Total HK\$'000
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### Types of goods

Sales of goods – recognised at a point in time			
Optical fibre cables	–	69,562	69,562
Optical fibres	–	3,290	3,290
<b>Total</b>	<b>–</b>	<b>72,852</b>	<b>72,852</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 2024				
	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	69,562	–	69,562	–	69,562
Sales of optical fibre	3,290	9,932	13,222	(9,932)	3,290
<b>Segment revenue</b>	<b>72,852</b>	<b>9,932</b>	<b>82,784</b>	<b>(9,932)</b>	<b>72,852</b>

## (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 14 to 360 days (six months ended 30 June 2024: 14 to 360 days) upon delivery.

The Group determines its operating segments based on the reports reviewed by Mr. He Xingfu, 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## Segment revenue and results

	Six months ended 30 June 2025				
	Optical fibre cables, optical cable cores and other related products	Optical fibres	Sub-total	Elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>					
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)

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

	Six months ended 30 June 2024				
	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
<b>Revenue</b>					
External sales	72,852	–	72,852	–	72,852
Inter-segment sales	–	9,932	9,932	(9,932)	–
Segment revenue	72,852	9,932	82,784	(9,932)	72,852
Segment profit (loss)	2,036	(14,345)	(12,309)	1,605	(10,704)
Interest income					4
Central corporate expenses					(2,658)
Finance costs					(810)
Loss before tax					(14,168)

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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Other income:</b>		
Income from sales of scrap products	55	105
Bank interest income	11	15
Others	166	96
	232	216
<b>Other gains and losses:</b>		
Foreign exchange gains/(losses), net	1,897	(1,862)
Gain on disposal of property, plant and equipment	102	–
	1,999	(1,862)

## 5. FINANCE COSTS

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest on bank borrowings	445	810



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 6. LOSS BEFORE TAXATION

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
(Loss)/profit before taxation has been arrived at after charging:		
Auditor's remuneration	596	615
Depreciation of property, plant and equipment	2,486	3,104
Less: amount capitalised in inventories	(2,012)	(2,676)
	474	428
Directors' remuneration (note 21(c))	1,844	1,786
Other staff costs		
Salaries and other benefits	9,012	9,659
Retirement benefits scheme contributions	230	269
Total staff costs	11,086	11,714
Less: amount capitalised in inventories	(4,882)	(5,458)
	6,204	6,256
Cost of inventories recognised as an expense	33,937	75,610
Allowance for inventories (included in cost of sales)	3,010	1,917
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)	4,074	4,833
Reversal of impairment loss on trade receivables	(2,448)	(2,233)
Bad debt written off	102	–
Gain on disposals of property, plant and equipment	(102)	–

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 7. INCOME TAX CREDIT

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

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Hong Kong Profits Tax		
Current Tax	—	—
Thailand Corporate Income Tax		
Current Tax	441	(935)
Thailand withholding tax	54	55
Deferred Tax (Note 18)	(921)	392
	(426)	(488)

The Hong Kong profits tax 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.

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”.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 8. DIVIDEND

No dividends were paid, declared and proposed by the Company during the current interim period (six months ended 30 June 2024: nil). The directors have determined that no dividend will be paid in respect of the current interim period.

## 9. LOSS PER SHARE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Loss</b>		
Loss attributable to the owners of the Company for the purpose of basic loss per share	(12,644)	(13,680)
<b>Number of ordinary shares</b>	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share	260,000	260,000

The calculation of basic loss per share for the six months ended 30 June 2025 and 30 June 2024 are based on the loss for the period attributable to the equity holders of the Company, and the weighted average number of issued ordinary shares are 260,000,000 in both periods.

No diluted loss per share was presented as there were no potential ordinary shares in issue during the periods.

## 10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired at cost, machinery of approximately HK\$229,000 (six months ended 30 June 2024: HK\$Nil), furniture and fixtures of approximately HK\$3,000 (six months ended 30 June 2024: approximately HK\$3,000); office equipment of HK\$Nil (six months ended 30 June 2024: Nil); motor vehicle of approximately HK\$155,000 (six months ended 30 June 2024: HK\$Nil); and construction in progress of approximately HK\$2,193,000 (six months ended 30 June 2024: approximately HK\$1,201,000).

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

### Non-current portion

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Prepayments	—	30,392
Deposits for acquisition of property, plant and equipment	10,010	9,702
Other deposits	23	30
Less: Loss allowances	(6,006)	(36,213)
	4,027	3,911

### Current portion

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Electricity deposits	783	783
Other deposits	65	65
Deposits for purchase of raw materials	172,743	143,333
Prepayments	10,966	8,696
Other receivables	6,336	3,530
Other tax receivables	1,141	708
Less: Loss allowances	(129,676)	(94,635)
	62,358	62,480

As at 31 December 2024 and 30 June 2025, included in prepayments of carrying amount approximately HK\$48,698,000 (net of impairment loss of HK\$125,027,000) and HK\$48,507,000 (net of impairment loss of HK\$124,236,000) respectively, represented advances made to a supplier for purchase of raw materials.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 12. INVENTORIES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Raw materials and consumables	21,491	23,741
Work in progress	6,408	7,564
Finished goods	9,997	10,262
Goods-in-transit	809	1,674
	38,705	43,241
Less: Inventory provision	(3,980)	(8,172)
	34,725	35,069

## 13. TRADE RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	172,742	171,857
Less: Loss allowance	(138,896)	(136,809)
	33,846	35,048

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 14 to 360 days (2024: 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
0–180 days	27,106	34,607
181–270 days	1,952	–
271–365 days	4,788	–
Over 365 days	–	441
	33,846	35,048

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

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Malaysian Ringgit ("MYR")	194	4,586
Thai Baht ("THB")	21,338	23,033
United States dollars ("USD")	12,314	7,429
	33,846	35,048

## 14. TRADE PAYABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables	10,474	10,253

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The credit period granted to the Group by suppliers normally ranged from 30 to 180 days (2024: 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:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
0–30 days	<b>7,882</b>	4,942
31–60 days	<b>777</b>	2,049
61–90 days	<b>23</b>	1,853
91–180 days	<b>1,345</b>	1,243
Over 180 days	<b>447</b>	166
	<b>10,474</b>	10,253

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

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
HK\$	<b>671</b>	698
RMB	<b>5,290</b>	3,821
THB	<b>2,554</b>	4,419
USD	<b>1,959</b>	1,315
	<b>10,474</b>	10,253

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 15. OTHER PAYABLES AND ACCRUED CHARGES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Accrued charges	2,920	3,187
Other payables	918	238
	<b>3,838</b>	<b>3,425</b>

## 16. CONTRACT LIABILITIES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Short-term advances received from customers – Sales of optical fibre cables	<b>486</b>	<b>14</b>

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 28%–100% (2024: 17%–100%) deposit depends on the contract terms.

### Movements in contract liabilities:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Balance as at 1 January	<b>14</b>	<b>542</b>
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	<b>(5)</b>	<b>(520)</b>
Increase in contract liabilities as a result of receiving advance payment from customers	<b>461</b>	<b>4</b>
Exchange realignment	<b>16</b>	<b>(12)</b>
Balance as at 30 June/31 December	<b>486</b>	<b>14</b>

No billings in advance of performance received that is expected to be recognised as income after more than one year (2024: Nil).



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 17. BANK AND OTHER BORROWINGS

	30 June 2025		31 December 2024	
	Effective interest rate	HK\$'000	Effective interest rate	HK\$'000
Bank borrowings – unsecured	4%	30,875	5%	25,300

### Analysed into:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>By nature</b>		
Variable rate bank borrowings	30,875	25,300
<b>By maturity</b>		
Bank borrowings repayable:		
Within one year or on demand	30,875	25,300

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

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
THB	30,875	25,300
	30,875	25,300

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 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 long-term prepayments	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024 (Audited)	5,198	56	8,915	(482)	3,701	17,388
Credit (Charge) to profit or loss	22	(4)	(576)	166	-	392
Exchange realignment	-	-	7	-	-	7
At 30 June 2024 (Unaudited)	5,220	52	8,346	(316)	3,701	17,003
At 1 January 2025 (Audited)	1,076	83	13,765	(129)	-	14,795
Credit (Charge) to profit or loss	954	(33)	1,353	(825)	-	1,449
Exchange realignment	-	-	(503)	-	-	(503)
At 30 June 2025 (Unaudited)	2,030	50	14,615	(954)	-	15,741

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

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Deferred tax assets	15,741	14,795

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 19. PROVISIONS

	Long service payment HK\$'000
As at 31 December 2024 and 1 January 2025	833
Amount reversed during the period	(364)
Exchange realignment	37
As at 30 June 2025	506

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
<b>Authorised</b>		
At 31 December 2024 and 30 June 2025		
– ordinary shares of HK\$0.01 each	1,000,000,000	10,000
<b>Issued and fully paid</b>		
At 31 December 2024 and 30 June 2025	260,000,000	2,600

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## 21. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Related Company<sup>^</sup></b>		
<u>Futong Group International Limited</u>		
Rental expenses related to short-term lease in respect of plant and office premises <sup>#</sup>	3,900	4,500

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

<sup>#</sup> 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	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Related company</b>		
<u>Futong Group International Limited</u>		
Other payables	650	—

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

## (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 2024 and 30 June 2025 respectively, were as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Short-term benefits	1,825	1,767
Post-employment benefits	19	19
	1,844	1,786

## 22. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2025 (unaudited) and 31 December 2024 (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 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group has recorded dissatisfied financial results for the six months ended 30 June 2025 (the “Reporting Period”). It recorded a total revenue of approximately HK\$38.7 million representing a decrease of approximately 46.9% as compared with the six months ended 30 June 2024 (the “Last Period”). The Group has realised a gross loss of approximately HK\$5.7 million for the Reporting Period, which represented an increase of loss approximately 103.6% as compared with the one for the Last Period. Loss for the Reporting Period attributable to the owners of the Company was approximately HK\$12.6 million, which represented a decrease in loss of approximately 8.0% as compared with the Last Period. The decrease in revenue was mainly attributable to the decreased in sale of optical fibre cables by approximately 46.0% to approximately HK\$37.4 million (the Last Period: approximately HK\$69.2 million). The sale of optical fibre decreased by approximately 63.9% to approximately HK\$1.3 million (the Last Period: approximately HK\$3.6 million).

### Review

In the first half of 2025, amid challenges presented by the fluctuating global geopolitics and slowing domestic economic growth, the communications industry in China confronted the dual pressure imposed by demand contraction and intensifying competition. Under the current market environment, optical fibre and optical fibre cables companies still encounter challenges and uncertainties in their operations. The Group stayed alert to the development of the matters mentioned above, continued to assess their impacts on the Group and take necessary measures to mitigate these impacts on our business.

### Futong Thailand

The current markets in Thailand and other ASEAN countries were still weak and the performance of Futong Thailand in the Reporting Period was generally worse than the result in Last Period.

The sales revenue of optical fibre cables in Thailand decreased from approximately HK\$69.2 million during the six months ended 30 June 2024 to approximately HK\$37.4 million during the same period in the year 2025 due to the decrease in sales volume and selling price. The sales in the other countries decreased from approximately HK\$29.3 million during the six months ended 30 June 2024 to approximately HK\$6.8 million during the same period in the year 2025 mainly because the sales in Germany decreased from approximately HK\$23.1 million during the six months ended 30 June 2024 to approximately HK\$5.6 million during the same period in the year 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

On the other hand, the gross profit margin of Futong Thailand decreased from approximately 9.2% for the six months ended 30 June 2024 to approximately 3.0% for the six months ended 30 June 2025. It is mainly attributable to the net effect of (i) the decrease in sales volume and selling price of optical fibre cables in Thailand local market; (ii) the decreased demand in the optical fibre cables and optical fibre market; and (iii) the general increase of sales volume and decrease of unit selling price of optical fibre cable in the ASEAN countries outside Thailand.

## Transtech

Transtech's performance was seriously influenced by the low selling price of optical fibre in the first six months ended 30 June 2025. The production line was closed frequently and all products were sold to Futong Thailand internally during the Reporting Period. The Transtech management has taken appropriate actions to minimize production cost and overhead expenses.

Transtech has reported its revenue and net loss in amount of approximately HK\$2.3 million and HK\$6.5 million respectively for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately revenue HK\$9.9 million and net loss HK\$14.2 million respectively), representing decrease of approximately 76.8% and decrease of approximately 54.2% respectively. It is attributed by the over supply of optical fibres and the demand for optical fibres was still weak. The market of optical fibres was generally not yet improved during the reporting period.

## OUTLOOK

Looking ahead to the second half of 2025, the industry in China is set to experience a phase of transformation and enhancement propelled by both technological advancements and market needs, particularly due to the rapid deployment of 5G networks, which is expected to create significant growth opportunities for the industry. At the National Industrial and Information Technology Work Conference held in late December 2024, key initiatives were outlined for the information and communication sector, two of which are closely tied to the optical fibre and cable industry.

Various factors such as the 5G infrastructure, broadband network coverage, and increased demand in the power sector are the drivers to the uprising trend of the digital economy. Optical fibre cables serve as the primary medium for information transmission and will continue to provide robust support for modern communication networks, market demand in China's optical fiber and cable industry is expected to rise steadily.

## MANAGEMENT DISCUSSION AND ANALYSIS

As global digitalization accelerates, countries are intensifying their investment in communication network infrastructure. This has resulted in a rapid increase in demand for optical fibre cables in key overseas markets, including Europe, Asia, Southeast Asia, Africa, and Latin America, driving substantial export opportunities for the local optical fibre cable manufacturers. By the end of 2025, as nations expedite their network fiberization efforts, the global demand for optical fibres and cables is projected to expand significantly.

The management of Transtech estimated that the price of optical fibre will continue going down because of the impact of overproduction in the industry. Moreover, the optical fiber preform suppliers will stop their production, Transtech plans to suspend its fiber drawing production in the second half of 2025.

Transtech will closely track the development of the fiber optic market and resume the production of ordinary single-mode optical fiber drawing under appropriate circumstances. Transtech will continue to seize the development opportunities of the special fiber optic project and look for new products to deepen its market layout.

Transtech's six butterfly-shaped fiber optic cable ("butterfly cable") production equipment has been fully installed in place, it is expected to start production in the last quarter of 2025. Transtech currently discussing with some customers about the purchase of butterfly cable OEM which will produce at least 90,000 core kilometers of butterfly cable in two years. At the same time, Transtech will actively join local and overseas industry exhibitions to promote its products – butterfly cables.

In response to the challenges, the Group will actively pursue opportunities arising from the development of the digital economy and the upgrading of both optical communication market and technologies in 2025. We will endeavor to increase our competitiveness to expand market share, maintain financial flexibility, and adjust strategies as required to navigate macroeconomic uncertainties with a view to generating satisfactory returns to our shareholders.





# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2025, total revenue of the Group was approximately HK\$38.7 million representing a decrease of approximately 46.9% as compared with the corresponding period in 2024.

The decrease is mainly attributable to the decreased 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 2025, the cost of sales of the Group decreased by about 41.1% to approximately HK\$44.5 million as compared with the corresponding period in 2024. Such decrease for the six months ended 30 June 2025 was mainly attributable to the decreased production volume and unit cost of optical fibre cable during the six months ended 30 June 2025.

The gross loss of the Group increased from loss approximately HK\$2.8 million, for the six months ended 30 June 2024 to loss approximately HK\$5.7 million for the six months ended 30 June 2025. The gross loss margin increased from approximately 3.8% for the six months ended 30 June 2024 to loss approximately 14.8% for the six months ended 30 June 2025. This is mainly attributable to the decrease of the gross loss margin of optical fibres for the six months ended 30 June 2025 by approximately 10.5% as compared to the corresponding period in 2024. Nevertheless, the gross profit margin of optical fibre cables decreased by approximately 5.6% for the six month ended 30 June 2025.

### Loss allowance for trade receivables

Loss allowance for trade receivables represented expected credit losses on trade receivables, which decreased by approximately HK\$1.5 million, or approximately 1.1% from a loss allowance of approximately HK\$140.4 million for the first half of 2024 to a loss allowance of approximately HK\$138.9 million for the first half of 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other Income, Gain and Losses

The Group recognised foreign exchange gains of approximately HK\$1.9 million for the six months ended 30 June 2025 as compared with approximately HK\$1.9 million exchange losses for the six months ended 30 June 2024, 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 increased from approximately HK\$1.9 million for the six months ended 30 June 2024 to approximately HK\$2.0 million for the six months ended 30 June 2025, representing an increase of approximately 5.3%.

The increase in the selling and distribution expenses for the six months ended 30 June 2025 was mainly due to the net effect of increase in sales commission expenses and decrease in export cost as there was decrease in sales of optical fibre and optical fibre cable to overseas countries.

## 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\$9.3 million for the six months ended 30 June 2024 to approximately HK\$9.5 million for the six months ended 30 June 2025, representing an increase of approximately 2.2%.

The increase in the administrative expenses for the six months ended 30 June 2025 was mainly attributable to the net effect of (i) the decrease in staff cost; (ii) the increase in depreciation expenses of property, plant and equipment; and (iii) the increase in other expenses.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Finance costs

Finance costs represent the interest expense on bank borrowings. The finance costs of the Group decreased from approximately HK\$0.8 million for the six months ended 30 June 2024 to approximately HK\$0.4 million for the six months ended 30 June 2025 mainly due to the decrease of bank borrowings for the six months ended 30 June 2025.

## Taxation

The Hong Kong profits tax 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.

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 for a period of 5 years ending 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 20.0% from a tax credit of approximately HK\$0.5 million for the six months ended 30 June 2024 to a tax credit of approximately HK\$0.4 million for the six months ended 30 June 2025. Such decrease was mainly caused by the decrease of Futong Thailand tax credit recorded during the Reporting Period.

## Loss for the period

Loss attributable to owners of the Company for the six months ended 30 June 2025 amounted to approximately HK\$12.6 million (six months ended 30 June 2024: loss approximately HK\$13.7 million).

The decrease in loss attributable to owners of the Company for the six months ended 30 June 2025 as compared with the corresponding period in 2024 was mainly attributable to the net effects of (i) the increase of foreign exchange gains; (ii) the increase of gross loss; (iii) the decrease of finance costs; (iv) the increase of reversal of loss allowance for trade receivables under expected credit loss model; and (v) the increase in allowance for inventories.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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\$11.6 million as at 30 June 2025 (31 December 2024: approximately HK\$17.8 million). As at 30 June 2025, the Group had total bank and other borrowings of approximately HK\$30.9 million (31 December 2024: approximately HK\$25.3 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 increased from approximately 7.1% as at 31 December 2024 to approximately 8.7% as at 30 June 2025. Such increase was the net effect resulted from the repayment of bank borrowings and total equity increased mainly due to the loss for the period.

## CAPITAL STRUCTURE

As at 30 June 2025, the Company's authorized and issued share capital were HK\$10,000,000 and HK\$2,600,000 respectively. The number of its issued ordinary shares was 260,000,000 of HK\$0.01 each.

There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report. 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 2025, the Group had no material contingent liabilities and litigation (31 December 2024: nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2024 Annual Report issued by the Company dated 31 March 2025 (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 which Futong Thailand may borrow from a bank with a credit limit of THB300 million (equivalent to approximately HK\$68,190,000). Futong Thailand has pledged a piece of land in Rayong, Thailand with an area of 58,149 square meters and the building thereon. The agreement period is valid for 30 years ending on 26 February 2054.

Saved as disclosed above, the Group had not pledged any other of its land, buildings and machinery to secure the banking facilities granted to the Group (31 December 2024: nil).

## 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 2025 and 31 December 2024, the Group has no capital commitments.

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT INVESTMENT HELD

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

## EMPLOYEE AND EMOLUMENT POLICIES

As at 30 June 2025, the employee headcount (including Directors) of the Group was 157 (31 December 2024: 173) and the total staff costs, including directors' emoluments, amounted to approximately HK\$11.1 million during the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$11.7 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.

## OTHER INFORMATION

### 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

The Group had no material acquisition or disposal of subsidiaries or associated companies during the six months ended 30 June 2025. In addition, the Group had no significant investments held during the six months ended 30 June 2025.

### 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 2025 and up to the date of this report, 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").





## OTHER INFORMATION

### (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 2025 and up to the date of this report, 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 <sup>(1)</sup>	Approximate shareholding percentage
Mr. Wang Jianyi ("Mr. Wang") <sup>(2)</sup>	Interest in a controlled corporation	195,000,000 (L)	75%
Futong Investments <sup>(3)</sup>	Interest in a controlled corporation	195,000,000 (L)	75%
Futong China <sup>(4)</sup>	Interest in a controlled corporation	195,000,000 (L)	75%
Hangzhou Futong Optical Communication Investments Co., Ltd. ("Futong Optical Communication") <sup>(5)</sup>	Interest in a controlled corporation	195,000,000 (L)	75%
Futong HK	Beneficial interest	195,000,000 (L)	75%

Notes:

- (1) The letter "L" denotes a person's "long position" in such shares.
- (2) Our Company is directly owned as to 75% 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.

## OTHER INFORMATION

- (3) Our Company is directly owned as to 75% 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 75% 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 75% 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.

Save as disclosed above, as the period from the six months ended 30 June 2025 and up to the date of this report, 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 2025.

## DIVIDENDS

The Board did not recommend a payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: 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 2025 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.

## OTHER INFORMATION

### PUBLIC FLOAT

According to the information disclosed publicly and as far as the Directors are aware, during the six months ended 30 June 2025 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 2025, 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 2025, 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.

## OTHER INFORMATION

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 2025 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 2025. 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.

## EVENTS AFTER THE REPORTING PERIOD

References is made to the announcements dated 4 July 2025, Transtech and Futong Group International Limited renewed the premises licence agreement for a term of one year commencing on 1 July 2025, this event constituted continuing connected transaction for the Group.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2025 and up to the approval date of this report.

## OTHER INFORMATION

### COMPLIANCE WITH LAWS AND REGULATIONS

During the six months ended 30 June 2025, 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.com.hk](http://www.hkexnews.com.hk)) and the Company ([www.transtechoptel.com](http://www.transtechoptel.com)).

By Order of the Board  
**Transtech Optelecom Science Holdings Limited**  
**He Xingfu**  
*Chairman*

Hong Kong, 27 August 2025

*As at the date of this report, the executive Directors are Mr. He Xingfu, Mr. Ren Guodong, 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 2025 will be despatched to the shareholders and also available on the above websites.

By order of the Board  
**Transtech Optelecom Science Holdings Limited**  
**He Xingfu**  
*Chairman*

Hong Kong, 27 August 2025

*As at the date of this announcement, the executive Directors of the Company are Mr. He Xingfu, Mr. Ren Guodong, 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.*