plover bay technologies

Plover Bay Technologies Limited

珩灣科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1523)

INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

SUMMARY

- For the six months ended 30 June 2026, the Group recorded revenue of approximately US$74,596,000, which increased about 18.5% from the same period last year.

- During the interim period, the Group recorded net profit of approximately US$27,718,000, which increased about 27.9% year-over-year.

- The Company recorded basic earnings per share of approximately US2.51 cents for the six months ended 30 June 2026, an increase of about 28.1% year-over-year.

- The Board has determined that an interim dividend of HK15.66 cents per share for the six months ended 30 June 2026 be payable on 25 August 2026 to the shareholders whose names appear in the Company's register of members on 14 August 2026.

The board (the "Board") of directors (the "Directors") of Plover Bay Technologies Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026, together with the comparative 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

		(unaudited) Six months ended 30 June	
		2026	2025
	Notes	***US$'000***	*US$'000*
Revenue	*4*	**74,596**	62,943
Cost of sales and services		**(30,750)**	(27,980)
Gross profit		**43,846**	34,963
Other income and gains, net	*4*	**1,119**	1,955
Selling and distribution expenses		**(1,796)**	(1,821)
General and administrative expenses		**(4,312)**	(3,710)
Research and development, consultancy and other expenses		**(5,400)**	(4,620)
Finance costs	*5*	**(133)**	(190)
Profit before tax	*6*	**33,324**	26,577
Income tax expense	*7*	**(5,606)**	(4,912)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**27,718**	21,665
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**41**	94
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**27,759**	21,759
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
— Basic *(US cents)*		**2.51**	1.96
— Diluted *(US cents)*		**2.50**	1.96

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2026 US$'000 (unaudited)	At 31 December 2025 US$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**3,704**	3,098
Intangible assets		**1,177**	1,368
Prepayments and deposits		**274**	394
Deferred tax assets		**118**	126
TOTAL NON-CURRENT ASSETS		**5,273**	4,986
CURRENT ASSETS			
Inventories	*10*	**27,422**	18,181
Trade receivables	*11*	**25,546**	22,574
Prepayments, deposits and other receivables		**9,232**	4,966
Tax recoverable		**142**	158
Pledged deposit		**2,380**	2,338
Time deposits		**2,802**	8,791
Cash and cash equivalents		**49,982**	56,259
TOTAL CURRENT ASSETS		**117,506**	113,267
CURRENT LIABILITIES			
Trade payables, other payables and accruals	*12*	**10,163**	8,071
Lease liabilities		**1,500**	763
Contract liabilities		**27,456**	26,380
Interest-bearing bank borrowings		**4,706**	—
Tax payable		**6,433**	10,484
TOTAL CURRENT LIABILITIES		**50,258**	45,698
NET CURRENT ASSETS		**67,248**	67,569
TOTAL ASSETS LESS CURRENT LIABILITIES		**72,521**	72,555

	Notes	At 30 June 2026 US$'000 (unaudited)	At 31 December 2025 US$'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**1,212**	1,211
Contract liabilities		**15,148**	12,159
Deferred tax liabilities		**226**	252
TOTAL NON-CURRENT LIABILITIES		**16,586**	13,622
NET ASSETS		**55,935**	58,933
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*13*	**1,425**	1,423
Reserves		**54,510**	57,510
TOTAL EQUITY		**55,935**	58,933

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

		Attributable to owners of the parent						
	Note	Issued capital *US$'000*	Share premium account *US$'000*	Share option reserve *US$'000*	Legal reserve *US$'000*	Exchange fluctuation reserve *US$'000*	Retained profits *US$'000*	Total equity *US$'000*
At 1 January 2025 (audited)		1,420	24,882	637	—	(129)	29,489	56,299
Profit for the period		—	—	—	—	—	21,665	21,665
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations		—	—	—	—	94	—	94
Total comprehensive income for the period		—	—	—	—	94	21,665	21,759
Issue of shares upon exercise of share options		1	302	(62)	—	—	—	241
Equity-settled share option arrangements		—	—	153	—	—	—	153
Second interim 2024 dividend		—	—	—	—	—	(18,906)	(18,906)
2024 Special dividend		—	—	—	—	—	(7,989)	(7,989)
At 30 June 2025 (unaudited)		1,421	25,184	728	—	(35)	24,259	51,557
At 1 January 2026 (audited)		**1,423**	**26,069**	**647**	**8**	**160**	**30,626**	**58,933**
Profit for the period		**—**	**—**	**—**	**—**	**—**	**27,718**	**27,718**
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations		**—**	**—**	**—**	**—**	**41**	**—**	**41**
Total comprehensive income for the period		**—**	**—**	**—**	**—**	**41**	**27,718**	**27,759**
Issue of shares upon exercise of share options		**2**	**599**	**(115)**	**—**	**—**	**—**	**486**
Equity-settled share option arrangements		**—**	**—**	**150**	**—**	**—**	**—**	**150**
Transfer to legal reserve		**—**	**—**	**—**	**8**	**—**	**(8)**	**—**
Second interim 2025 dividend	*8*	**—**	**—**	**—**	**—**	**—**	**(23,400)**	**(23,400)**
2025 Special dividend	*8*	**—**	**—**	**—**	**—**	**—**	**(7,993)**	**(7,993)**
At 30 June 2026 (unaudited)		**1,425**	**26,668**	**682**	**16**	**201**	**26,943**	**55,935**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	(unaudited) Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
NET CASH FLOWS FROM OPERATING ACTIVITIES	**15,088**	22,270
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**625**	962
Purchase of items of property, plant and equipment	**(163)**	(118)
Increase in pledged deposit	**(42)**	(48)
Decrease in non-pledged time deposits with original maturity of more than three months when acquired	**5,989**	—
Additions to intangible assets	**(237)**	(310)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**6,172**	486
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	**486**	241
Dividends paid	**(31,393)**	(26,895)
Interest elements of finance lease rental payments	**(62)**	(57)
Repayment of bank loans	**(2,312)**	(5,373)
New bank loan	**7,019**	—
Interest paid	**(71)**	(133)
Principal portion of finance lease rental payments	**(733)**	(813)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(27,066)**	(33,030)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(5,806)**	(10,274)
Cash and cash equivalents at beginning of the period	**56,259**	65,933
Effect of foreign exchange rate changes, net	**(471)**	7
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**49,982**	55,666

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. CORPORATE AND GROUP INFORMATION

Plover Bay Technologies Limited is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Unit B, 5/F, Dragon Industrial Building, 93 King Lam Street, Lai Chi Kok, Kowloon, Hong Kong.

During the period, the Group was involved in the following principal activities:

- designing, development and marketing of software defined wide area network (the "SD-WAN") routers; and
- provision of software licences and warranty and support services.

2.1 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirement of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). They have been prepared under the historical cost convention and are presented in United States Dollars ("US$") and all values are rounded to the nearest thousands except when otherwise indicated.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those set out in the Group's annual financial statements for the year ended 31 December 2025.

In the current interim period, the Group has adopted, for the first time, the following amended HKFRS Accounting Standards for the preparation of the Group's condensed consolidated financial statements.

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

The application of the amended HKFRS Accounting Standards in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has reportable operating segments as follows:

(a) the sales of SD-WAN routers segment that primarily engages in sales of wired and wireless routers, also known as Fixed First Connectivity and Mobile First Connectivity; and

(b) software licences and warranty and support services segment that primarily engages in the provision of software licences and warranty and support services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income and gains, net, selling and distribution expenses, unallocated general and administrative expenses and finance costs are excluded from such measurement.

There were no material intersegment sales and transfers during the current and prior reporting periods.

Operating segments:

Six months ended 30 June (unaudited)

	Sales of SD-WAN routers							
	Fixed First Connectivity		Mobile First Connectivity		Software licences and warranty and support services		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Segment revenue:								
Sales to external customers	**10,967**	7,616	**40,274**	36,831	**23,355**	18,496	**74,596**	62,943
Segment result	**4,340**	2,731	**13,660**	11,236	**20,031**	15,873	**38,031**	29,840
Reconciliation								
Other income and gains, net							**1,119**	1,955
Selling and distribution expenses							**(1,796)**	(1,821)
Unallocated general and administrative expenses							**(3,897)**	(3,207)
Finance costs							**(133)**	(190)
Profit before tax							**33,324**	26,577

Geographical information

Revenue from external customers

	(unaudited) Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
North America	**43,734**	34,394
EMEA (Europe, Middle East and Africa)	**19,989**	20,497
Asia	**7,171**	5,862
Others	**3,702**	2,190
	74,596	62,943

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	(unaudited) Six months ended 30 June 2026 US$'000	2025 US$'000
Revenue from contracts with customers	**74,596**	62,943

Revenue from contracts with customers

Disaggregated revenue information

Six months ended 30 June (unaudited)	Sale of SD-WAN routers 2026 US$'000	2025 US$'000	Software licences and warranty and support services 2026 US$'000	2025 US$'000	Total 2026 US$'000	2025 US$'000
Type of goods or services						
Sale of SD-WAN routers						
— Fixed First Connectivity	**10,967**	7,616	**—**	—	**10,967**	7,616
— Mobile First Connectivity	**40,274**	36,831	**—**	—	**40,274**	36,831
Provision of warranty and support services	**—**	—	**16,242**	13,441	**16,242**	13,441
Sale of software licences	**—**	—	**7,113**	5,055	**7,113**	5,055
Total revenue from contract with customers	**51,241**	44,447	**23,355**	18,496	**74,596**	62,943
Geographical markets						
North America	**29,645**	23,026	**14,089**	11,368	**43,734**	34,394
EMEA	**13,740**	15,866	**6,249**	4,631	**19,989**	20,497
Asia	**4,990**	4,002	**2,181**	1,860	**7,171**	5,862
Others	**2,866**	1,553	**836**	637	**3,702**	2,190
Total revenue from contract with customers	**51,241**	44,447	**23,355**	18,496	**74,596**	62,943
Timing of revenue recognition						
Transferred at a point in time	**51,241**	44,447	**1,290**	798	**52,531**	45,245
Transferred over time	**—**	—	**22,065**	17,698	**22,065**	17,698
Total revenue from contracts with customers	**51,241**	44,447	**23,355**	18,496	**74,596**	62,943

Other income and gains, net

	(unaudited) Six months ended 30 June 2026 US$'000	2025 US$'000
Other income and gains, net		
Bank interest income	**625**	962
Foreign exchange gains, net	**247**	982
Others	**247**	11
	1,119	1,955

5. FINANCE COSTS

	(unaudited) Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Interest on bank borrowings	**71**	133
Interest on lease liabilities	**62**	57
	133	190

6. PROFIT BEFORE TAX

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

	(unaudited) Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Cost of inventories sold	**29,177**	26,771
Depreciation[a]	**1,027**	1,044
Amortisation of intangible assets	**419**	505
Government subsidies — Lithuania[b]	**—**	(153)
Write-down of inventories to net realisable value	**104**	579
Foreign exchange differences, net	**(247)**	(982)

(a) Depreciation includes the depreciation of right-of-use assets of approximately US$758,000 (Six months ended 30 June 2025: approximately US$804,000).

(b) During the period, the Company's subsidiary in Lithuania received subsidies of nil (Six months ended 30 June 2025: US$153,000) from the Government of the Republic of Lithuania for several research and development projects. The amounts were recorded in "Research and development, consultancy and other expenses" and "General and administrative expenses". There were no unfulfilled conditions relating to the subsidies.

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 30 June 2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first US$256,000 (Six months ended 30 June 2025: US$257,000) of assessable profits of this subsidiary are taxed at 8.25% (Six months ended 30 June 2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (Six months ended 30 June 2025: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	(unaudited) Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Current — Hong Kong		
Charge for the period	**2,534**	4,752
Current — Elsewhere		
Charge for the period	**3,085**	300
Underprovision in prior years	**3**	34
Deferred	**(16)**	(174)
Total tax charge for the period	**5,606**	4,912

8. DIVIDENDS

During the period, a second interim dividend of HK16.54 cents per ordinary share and a special dividend of HK5.65 cents per ordinary share for the year ended 31 December 2025 were paid to the shareholders of the Company on 26 March 2026.

In the board meeting held on 30 July 2026, the Board has resolved to declare an interim dividend of HK15.66 cents per share for the six months ended 30 June 2026 (Interim dividend 2025: HK12.34 cents). The interim dividend is expected to be paid on Tuesday, 25 August 2026 to the shareholders whose names appear in the register of members of the Company on Friday, 14 August 2026.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the 1,105,614,572 (Six months ended 30 June 2025: 1,102,565,261) weighted average number of ordinary shares in issue during the period.

The calculations of basic and diluted earnings per share are based on:

Earnings

The calculations of basic and diluted earnings per share are based on profit for the period attributable to ordinary equity holders of the parent.

Shares

	(unaudited) Six months ended 30 June Number of shares	
	2026	2025
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,105,614,572**	1,102,565,261
Effect of dilution — weighted average number of ordinary shares: Share options	**1,961,324**	4,519,174
	1,107,575,896	1,107,084,435

10. INVENTORIES

	(unaudited) At 30 June 2026	(audited) At 31 December 2025
	US$'000	*US$'000*
Raw materials and consumables	**19,028**	6,849
Finished goods	**8,394**	11,332
	27,422	18,181

11. TRADE RECEIVABLES

	(unaudited) At 30 June 2026 US$'000	(audited) At 31 December 2025 US$'000
Trade receivables	**25,575**	22,603
Impairment	**(29)**	(29)
	25,546	22,574

The Group's trading terms with its customers are mainly on credit, except for new and individual customers, where payment in advance is normally required. The overall credit period is generally between 30 to 60 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

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

	(unaudited) At 30 June 2026 US$'000	(audited) At 31 December 2025 US$'000
Within 1 month	**18,103**	13,407
1 to 2 months	**5,380**	5,941
2 to 3 months	**477**	2,775
Over 3 months	**1,586**	451
	25,546	22,574

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	(unaudited) At 30 June 2026 US$'000	(audited) At 31 December 2025 US$'000
Trade payables	**7,920**	4,633
Deposits received	**334**	353
Other payables	**115**	68
Accruals	**1,794**	3,017
	10,163	8,071

13. ISSUED CAPITAL

	(unaudited) At 30 June 2026 *US$'000*	(audited) At 31 December 2025 *US$'000*
Authorised:		
4,000,000,000 (31 December 2025: 4,000,000,000) ordinary shares of HK$0.01 each	**5,152**	5,152
Issued and fully paid:		
1,106,255,000 (31 December 2025: 1,104,900,000) ordinary shares of HK$0.01 each	**1,425**	1,423

A summary of movements in the Company's issued capital is as follows:

	Notes	Number of shares in issue	Issued capital *HK$'000*	Issued capital *US$'000*
At 1 January 2025		1,102,233,000	11,022	1,420
Share options exercised	*(a)*	2,667,000	27	3
At 31 December 2025 and 1 January 2026		1,104,900,000	11,049	1,423
Share options exercised	*(b)*	1,355,000	14	2
At 30 June 2026		1,106,255,000	11,063	1,425

Notes:

(a) The subscription rights attaching to 2,667,000 share options were exercised at the weighted average subscription price of HK$2.757 per share, resulting in the issue of 2,667,000 ordinary shares for a total cash consideration, before expenses, of approximately US$942,000. An amount of approximately US$248,000 was transferred from the share option reserve to share premium account upon the exercise of the share options.

(b) The subscription rights attaching to 1,355,000 share options were exercised at the weighted average subscription prices of HK$2.797 per share, respectively, resulting in the issue of 1,355,000 ordinary shares for a total cash consideration, before expenses, of approximately US$486,000. An amount of approximately US$115,000 was transferred from the share option reserve to share premium account upon the exercise of the share options.

14. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with its related parties:

	(unaudited) Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
Lease payments paid to related companies	**596**	675

The lease payments were charged by related companies based on terms as agreed between the relevant parties. A Director and beneficial controlling shareholder of the Company is also a Director and beneficial shareholder of the related companies.

15. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme became effective on 21 June 2016 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The following share options were outstanding under the Scheme during the reporting period:

	(unaudited) 2026		(unaudited) 2025	
	Weighted average exercise price per share ***HK$***	**Number of options**	Weighted average exercise price per share *HK$*	Number of options
At 1 January	**3.486**	**9,904,000**	3.327	13,321,000
Granted during the period	**8.592**	**5,300,000**	—	—
Forfeited during the period	**2.323**	**(75,000)**	3.415	(400,000)
Expired during the period	**—**	**—**	—	—
Exercised during the period	**2.797**	**(1,355,000)**	2.894	(647,000)
At 30 June	**5.525**	**13,774,000**	3.347	12,274,000

The weighted average share price at the date of exercise for share options exercised during six months ended 30 June 2026 was HK$7.975 per share (Six months ended 30 June 2025: HK$5.438 per share).

The exercise prices and exercise periods of the share options outstanding as at the end of reporting period are as follows:

Exercise period	Exercise price HK$ per share	(unaudited) Number of options outstanding as at 30 June	
		2026	2025
9–11–2023 to 8–11–2026	2.97	**152,000**	391,000
9–11–2024 to 8–11–2026	2.97	**100,000**	345,000
9–11–2025 to 8–11–2026	2.97	**125,000**	525,000
17–6-2024 to 16–6-2027	2.988	**414,000**	1,413,000
17–6-2025 to 16–6-2027	2.988	**433,000**	1,250,000
17–6-2026 to 16–6-2027	2.988	**1,200,000**	1,250,000
11–12–2025 to 10–12–2028	1.99	**250,000**	1,100,000
11–12–2026 to 10–12–2028	1.99	**500,000**	550,000
11–12–2027 to 10–12–2028	1.99	**500,000**	550,000
26–7-2026 to 25–7-2029	4.34	**2,400,000**	2,450,000
26–7-2027 to 25–7-2029	4.34	**1,200,000**	1,225,000
26–7-2028 to 25–7-2029	4.34	**1,200,000**	1,225,000
29–5-2028 to 28–5-2031	8.592	**2,650,000**	—
29–5-2029 to 28–5-2031	8.592	**1,325,000**	—
29–5-2030 to 28–5-2031	8.592	**1,325,000**	—
		13,774,000	12,274,000

During the period, 5,300,000 share options were granted to 52 current employees as part of their standard employment package and 1 eligible consultant. Share option expense of approximately US$150,000 was recognised during the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Revenue and segment information

Plover Bay is a vendor of connectivity hardware, software and services. Our products include wired SD-WAN routers, wireless SD-WAN routers and networking peripherals that support customers' networks. We also engage in the sales of add-on software licences and warranty and support services, which includes subscriptions for software & cloud services and on-demand data.

As our product range continues to evolve, many of our products are enabled with both wired and wireless functions. Our products have also branched out to include connectivity products beyond the capabilities of a typical SD-WAN router, such as our mobile antenna, network switches, accessories, access points, and so on.

Our revenue segments consist mainly of the following categories: (i) SD-WAN routers, which is further divided into Fixed First Connectivity, which denotes products connected primarily through fixed networks, and Mobile First Connectivity, which denotes products connected primarily through mobile networks; (ii) warranty and support services, which includes provision of warranty and usage-based data services; and (iii) software licences, which includes one-off software licences and subscription of InControl2 service and other software features.

Revenue highlights

During the period ended 30 June 2026, the Group's revenue increased to approximately US$74,596,000, representing an approximately 18.5% year-over-year growth. The sales of Fixed First Connectivity increased about 44.0% to approximately US$10,967,000. Sales of Mobile First Connectivity increased to approximately US$40,274,000, or an increase of about 9.3% year-over-year. Sales of warranty and support services increased about 20.8% to US$16,242,000. Finally, the sales of software licences increased about 40.7% year-over-year to US$7,113,000.

During the period, our sales increase can be attributed to the strong growth in high-volume products (including Fixed First Connectivity and 5G routers), edge computing products and recurring revenues.

The table below sets out our revenue by product/service category:

	For the six months ended 30 June			
	2026		2025	
	Revenue	**% of total**	Revenue	% of total
	US$'000	***%***	*US$'000*	*%*
Fixed First Connectivity	**10,967**	**14.7**	7,616	12.1
Mobile First Connectivity	**40,274**	**54.0**	36,831	58.5
Warranty and support services	**16,242**	**21.8**	13,441	21.4
Software licences	**7,113**	**9.5**	5,055	8.0
Total	**74,596**	**100.0**	62,943	100.0

Overview of recurring sales

We consider the sales of Fixed First Connectivity and Mobile First Connectivity, licences for virtual appliances and add-on licences for software features to be one-time sales.

Recurring sales mainly include the following:

(i) Embedded Subscriptions, which refers to revenues relating to embedded one-year warranty and services included with the sale of a router or product;

(ii) Organic Subscriptions, which refers to revenues relating to sales of subscriptions for warranty (recognised in the software licences and warranty and support services segment) and software features (recognised in the software licences and warranty and support services segment);

(iii) the sales of cloud and data services, which are based on data usage.

During the period, one-time sales increased approximately 16.1% and recurring sales increased approximately 24.7% year-over-year. The sales of Embedded Subscriptions generally follows the growth trend of Fixed First and Mobile First Connectivity segment sales in the past twelve months. Growth of Organic Subscriptions is generally influenced by our accumulated user base, take up rate of subscriptions, and user stickiness. During the period, the number of devices under a subscription and take up rate of subscriptions both recorded healthy increases, indicating strong recurring revenue pipeline going forward.

The table below sets out the breakdown of revenue according to the timing of revenue recognition for the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June			
	2026		2025	
	Revenue	**% of total**	Revenue	% of total
	US$'000	***%***	*US$'000*	*%*
One-time sales:	**52,531**	**70.4**	45,245	71.9
Recurring sales:	**22,065**	**29.6**	17,698	28.1
Total	**74,596**	**100.0**	62,943	100.0

Overview of sales in geographical regions

We divide our sales into the following geographical regions: North America, EMEA (including Europe, Middle East and Africa), Asia and other regions. During the reporting period, sales from North America increased approximately 27.2% to approximately US$43,734,000. Sales from EMEA slightly decreased to approximately US$19,989,000. Sales to Asia was approximately US$7,171,000, which increased about 22.3% year-on-year. Sales from Other regions was approximately US$3,702,000, which increased about 69.0% year-on-year.

During the period, the strong increase in sales from North America was mainly due to increase in demand of high-volume products.

In EMEA, our sales slightly decreased to approximately US$19,989,000 due to project-based lumpiness after a significant growth in the previous year.

In Asia and Others regions, our sales continue to grow due to deliveries to various customers in those regions who are in the midst of deploying their multi-year large projects.

The table below sets out the breakdown of revenue by geographical regions of customers in terms of absolute amount and as a percentage of total revenue for the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June			
	2026		2025	
	Revenue	**% of total**	Revenue	% of total
	US$'000	***%***	*US$'000*	*%*
North America	**43,734**	**58.6**	34,394	54.6
EMEA	**19,989**	**26.8**	20,497	32.6
Asia	**7,171**	**9.6**	5,862	9.3
Others	**3,702**	**5.0**	2,190	3.5
Total	**74,596**	**100.0**	62,943	100.0

Gross profit and gross profit margin

For the six months ended 30 June 2026, our gross profit was approximately US$43,846,000, a year-over-year increase of approximately 25.4%. Our gross profit margin for the period was approximately 58.8% compared to approximately 55.5% for the same period last year.

The increase of gross profit margin is mainly due to increase in overall gross margins from high-volume routers as our procurement and economies of scale continued to improve, and a more favourable product mix towards edge computing products

The table below sets out our Group's gross profit and gross profit margin by product/service category:

	For the six months ended 30 June			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	US$'000	***%***	*US$'000*	*%*
Fixed First Connectivity	**5,159**	**47.0**	3,317	43.6
Mobile First Connectivity	**16,904**	**42.0**	14,359	39.0
Warranty and support services	**15,343**	**94.5**	12,706	94.5
Software licences	**6,440**	**90.5**	4,581	90.6
Total	**43,846**	**58.8**	34,963	55.5

Other income and gains, net

For the six months ended 30 June 2026, other income and gains, net was approximately US$1,119,000, compared to approximately US$1,955,000 during the same period last year. During the period, other income and gains, net mainly comprised of approximately US$625,000 bank interest income and approximately US$247,000 exchange gains. In the comparable interim period, other income and gains, net mainly comprised of approximately US$962,000 bank interest income and approximately US$982,000 exchange gains.

Selling and distribution expenses

Selling and distribution expenses comprised mainly salaries and benefits of our sales and marketing staff and advertising and promotion expenses incurred to promote our products and other expenses relating to our sales and marketing activities.

Selling and distribution expenses for the six months ended 30 June 2026 slightly decreased to approximately US$1,796,000.

General and administrative expenses

General and administrative expenses mainly represented salaries and benefits of our administrative, finance and other supporting staff, depreciation of property, plant and equipment, amortisation of intangible assets, lease expenses and other office expenses.

General and administrative expenses for the six months ended 30 June 2026 increased to approximately US$4,312,000 which was mainly due to increase of salaries.

Research and development, consultancy and other expenses

Research and development expenses mainly represented salaries and benefits of our software development, hardware engineering, testing and supporting staff, product testing fee, certification costs, tooling, components and parts used for product research and development purposes. Consultancy and other expenses mainly represented payments to service providers for testing, technical support and system maintenance.

Research and development, consultancy and other expenses for the six months ended 30 June 2026 increased by 16.9% to approximately US$5,400,000 which was mainly due to increase of salaries and headcount.

Equity-settled share-based payment expenses

Included in selling and distribution expenses, general and administrative expenses and research and development, consultancy and other expenses were equity-settled share-based payment expenses, mainly represented equity-settled share-based payments to Directors and employees which are expensed on a straight-line basis over the vesting period since the grant date.

The Company grants share options to its directors, employees and consultants from time to time. Equity-settled share-based payment expenses for the six months ended 30 June 2026 was approximately US$150,000. Details of share options granted by the Group are set out below under the heading "Share Option Scheme" of this interim report.

Total operating expenses

Total operating expenses, which includes selling and distribution expenses, general and administrative expenses and research and development, consultancy and other expenses for the six months ended 30 June 2026 amounted to approximately US$11,508,000, an increase of approximately 13.4% year-over-year.

Finance costs

Finance costs mainly represented interest on bank borrowings and the interest portion of lease liabilities.

Finance costs for the six months ended 30 June 2026 was approximately US$133,000 compared to approximately US$190,000 during the same period last year. The decrease is mainly due to decrease in average bank borrowings amount.

Income tax expenses

We provided for Hong Kong profits tax at a rate of 16.5% on our estimated assessable profits arising in Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The increase in income tax expenses corresponded to the increase of assessable profits during the six months ended 30 June 2026.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the six months ended 30 June 2026 was approximately US$27,718,000, representing a year-over-year increase of approximately 27.9%.

Inventories

As at 30 June 2026, the Group's inventory balance was approximately US$27,422,000 (At 31 December 2025: approximately US$18,181,000). During the period, due to the global price surge of electronic components, the Group accumulated a large buffer of key components to ensure customer demands can be met within reasonable lead times.

BUSINESS REVIEW AND OUTLOOK

Dear shareholders and partners,

Twenty Years of Unbreakable Connectivity

Plover Bay designs and builds connectivity solutions around our proprietary technology for combining multiple links — cellular, satellite, and fixed — into one reliable connection.

We believe connectivity should be reliable and available anytime, anywhere. Customers in markets where a connectivity failure is expensive — vessels, emergency vehicles, transit fleets, remote operations — pay a premium for that reliability. That is why we earn margins well above commodity networking hardware, and why a growing share of our revenue comes from subscriptions attached to the hardware: management software, support, and connectivity services.

This has been our approach for twenty years. It has not changed.

Steady Growth from a Long Tail of Markets

Our revenue in 1H26 grew 18.5% year-on-year, and net profit grew 27.9%. Recurring revenue grew 24.7% and now represents 29.6% of total revenue.

The driver behind these numbers is the same pattern we have seen for two decades. Ours is not one large market but a long tail of smaller ones — each niche, each demanding, collectively substantial. Every year, more industries reach the point where a dropped connection carries a real cost, and another segment of that tail becomes ours. This is why our growth is steady rather than cyclical, and why the business generates substantial free cash flow.

Starlink, Multi-Starlink, Multi-Orbit

We have entered the multi-orbit era. High-speed broadband now reaches places it never could before — at sea, in the air, and in the most remote corners of land. Each new layer of connectivity brings new integration complexity, and integration is where most of the industry struggles.

As the only Starlink Authorized Technology Provider since January 2024, we have kept building on that integration. We now offer Starlink's full range of LEO products — and because Starlink terminals now appear directly in our cloud platform, customers can monitor and manage Peplink and Starlink equipment as one. Our channel program rewards partners for selling the two as one solution, and our installed base is growing faster as a result.

We continue to expand our own product stack for the LEO market. The new MAX Orbit series bonds multiple satellite terminals into a single fast, resilient link. Together with our new SpeedFusion Boost feature, it keeps enterprise throughput steady through satellite handovers, obstructions, and adverse weather.

Physical AI

AI creates demand for us today: intelligence is moving into machines that move, and their data needs to move with them. Drones, factory robots, autonomous vehicles, systems at remote sites — these machines need connectivity to work, but they operate in the very places where connectivity is hardest to get.

Their makers want what our customers have always wanted — a connection that does not fail — in hardware that is smaller, lighter, tougher, and runs on less power. We are seeing strong growth in this area and many leading players are working with us. We believe physical AI will become an important market for us, and we are building for it now: new products in smaller and tougher form factors, with the same reliability we are known for.

The Spin-off

As announced earlier this year, we are working to spin off our North American business for a separate listing on NASDAQ, giving each business its own capital, its own currency, and the focus of its own team. The work is underway, and we will share the timeline as details are confirmed.

Appreciation

We thank the people who built this: our employees, whose engineering carries our reputation; our partners, who deliver our solutions in the field; and our shareholders, many of whom have been with us since the very beginning.

Our first ten years as a public company have been remarkable. We are not stopping here. Now we are building the 2.0 — multi-orbit connectivity, physical AI, and platforms each running at full strength. We are excited about what is forming next, and glad to be building it alongside you.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, our bank borrowings amounted to approximately US$4,706,000 (At 31 December 2025: nil). Gearing ratio (defined as total borrowings over total equity) as at 30 June 2026 was approximately 8.4% (At 31 December 2025: nil). The Directors confirm that the Group financed its operations principally from cash generated from its business operations and expect that this will continue to be the case in the foreseeable future. We did not experience any liquidity problem during the reporting period.

AGEING ANALYSIS OF TRADE RECEIVABLES

For details of our ageing analysis of trade receivables, please refer to note 11 to the condensed consolidated financial information.

FOREIGN CURRENCY EXPOSURE

The Group undertakes certain transactions denominated in foreign currencies, mainly in Euro, US dollars, Pound Sterling and Australian dollars, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely in order to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arise.

EMPLOYEE AND SALARY POLICIES

The Directors consider the quality of employees as the most critical factor in maintaining the Group's business growth and enhancing our profitability. The Group offers remuneration packages including salary, bonuses and retirement benefits with reference to the performance and working experience of individual employees, and the prevailing market rates. As at 30 June 2026, the Group had 216 full-time employees (At 31 December 2025: 206 full time employees).

The Company also adopted a share option scheme approved on 21 June 2016 for the purpose of, among other things, recognition of employees' contribution to the Group's continued growth. Details have been set out in the section headed "Share Option Scheme" elsewhere in this interim report.

The emoluments of the Directors are decided by the Board having regard to the Group's operating results, individual performance and comparable market statistics.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLAN FOR MATERIAL INVESTMENT

As at 30 June 2026, the Group has no significant investment held and material investment plan.

MATERIAL ACQUISITIONS AND DISPOSALS

During the period ended 30 June 2026, the Group had no material acquisitions or disposals of subsidiaries and associated companies.

PLEDGE OF ASSETS

The Group's bank facilities amounting to US$14,905,000 (At 31 December 2025: US$15,017,000), of which US$4,706,000 (At 31 December 2025: nil) had been utilised as at the end of the interim period, are secured by the pledge of a time deposit of the Group amounting to US$2,380,000 (At 31 December 2025: US$2,338,000).

DIVIDEND

The Board has resolved to declare an interim dividend of HK15.66 cents per share for the six months ended 30 June 2026. The interim dividend is expected to be paid on 25 August 2026 to the shareholders whose names appear in the register of members of the Company at the close of business on 14 August 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Friday, 14 August 2026 for the purpose of determining the entitlement to the 2026 interim dividend. The record date for entitlement to receive the 2026 interim dividend is Friday, 14 August 2026. In order to be qualified for the 2026 interim dividend, all share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 13 August 2026. The cheques for dividend payment are expected to be sent on Tuesday, 25 August 2026.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 June 2026, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

Long positions in shares and underlying shares

Name of Directors	Nature of interest	Number of ordinary shares of the Company interested	Number of underlying ordinary shares of the Company held under Share Option Scheme	Approximate percentage of shareholding
				%
Chan Wing Hong Alex	Through controlled corporation*	756,000,000	—	68.3
Chau Kit Wai	Beneficial owner	6,000,000	—	0.5
Chong Ming Pui	Beneficial owner	6,000,000	—	0.5
Yeung Yu	Beneficial owner	6,000,000	—	0.5
Chiu Chi Ying	Beneficial owner	50,000	550,000	0.1

* The 756,000,000 shares of the Company are held by Namlong Development Limited, a company beneficially owned by Mr. Chan Wing Hong Alex.

Save as disclosed above, as of the date of this interim report, so far as is known to any Director or chief executives of the Company, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) required to be recorded in the register kept by the Company pursuant to section 352 of the SFO; or (iii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code. Details of the Directors' interests in share options granted by the Company are set out below under the heading "Share Option Scheme".

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Share Option Scheme" below, at no time during the six months ended 30 June 2026 was the Group a party to any arrangements to enable the Directors or chief executives of the Company, to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

SHARE OPTION SCHEME

A share option scheme was conditionally adopted by the Company on 21 June 2016, and became effective on the Listing Date (the "Share Option Scheme"). Details of movements of the share options granted under the Share Option Scheme for the six months ended 30 June 2026 are as follows:

Grantee	Date of grant	Exercise price per share *(HK$)*	Exercise period	Notes	At 1 January 2026	Granted	Exercised	Forfeited	Lapsed/ cancelled	At 30 June 2026
Directors										
Chan Wing Hong Alex	20/7/2016	0.483	20/7/2017–19/7/2021	(1 & 2)	—	—	—	—	—	—
Chau Kit Wai	20/7/2016	0.483	20/7/2017–19/7/2021	(2)	—	—	—	—	—	—
Chong Ming Pui	20/7/2016	0.483	20/7/2017–19/7/2021	(2)	—	—	—	—	—	—
Yeung Yu	20/7/2016	0.483	20/7/2017–19/7/2021	(2)	—	—	—	—	—	—
Chiu Chi Ying	11/12/2023	1.99	11/12/2025-10/12/2028	(5&10)	100,000	—	(50,000)	—	—	50,000
	26/7/2024	4.34	26/7/2026-25/7/2029	(6)	500,000	—	—	—	—	500,000
Consultants	17/6/2022	2.988	17/6/2024-16/6/2027	(4&9)	325,000	—	(75,000)	—	—	250,000
	26/7/2024	4.34	26/7/2026-25/7/2029	(6)	500,000	—	—	—	—	500,000
	29/5/2026	8.592	29/5/2028-28/5/2031	(7)	—	100,000	—	—	—	100,000
Employees	9/11/2021	2.97	9/11/2023-8/11/2026	(3&8)	871,000	—	(494,000)	—	—	377,000
	17/6/2022	2.988	17/6/2024-16/6/2027	(4&8)	2,358,000	—	(536,000)	(25,000)	—	1,797,000
	11/12/2023	1.99	11/12/2025-10/12/2028	(5&8)	1,450,000	—	(200,000)	(50,000)	—	1,200,000
	26/7/2024	4.34	26/7/2026-25/7/2029	(6)	3,800,000	—	—	—	—	3,800,000
	29/5/2026	8.592	29/5/2028-28/5/2031	(7)	—	5,200,000	—	—	—	5,200,000
					9,904,000	5,300,000	(1,355,000)	(75,000)	—	13,774,000

Notes:

1. Mr. Chan Wing Hong Alex is also the controlling shareholder of the Company.

2. For all share options granted on 20 July 2016, the first 25% of the total options can be exercised 1 year after the date of grant, and each 25% of the total options will become exercisable in each subsequent year. The closing price of the Share immediately before the date on which the options were granted was HK$0.46 per share.

3. For all share options granted on 9 November 2021, the first 50% of the total options can be exercised 2 years after the date of grant, and a further 25% of the total options will become exercisable in each subsequent year. The closing price of the Share immediately before the date on which the options were granted was HK$2.77 per share.

4. For all share options granted on 17 June 2022, the first 50% of the total options can be exercised 2 years after the date of grant, and a further 25% of the total options will become exercisable in each subsequent year. The closing price of the Share immediately before the date on which the options were granted was HK$2.96 per share.

5. For all share options granted on 11 December 2023, the first 50% of the total options can be exercised 2 years after the date of grant, and a further 25% of the total options will become exercisable in each subsequent year. The closing price of the Share immediately before the date on which the options were granted was HK$2.00 per share.

6. For all share options granted on 26 July 2024, the first 50% of the total options can be exercised 2 years after the date of grant, and a further 25% of the total options will become exercisable in each subsequent year. The closing price of the share immediately before the date on which the options were granted was HK$4.02 per share.

7. For all share options granted on 29 May 2026, the first 50% of the total options can be exercised 2 years after the date of grant, and a further 25% of the total options will become exercisable in each subsequent year. The closing price of the share immediately before the date on which the options were granted was HK$8.98 per share.

8. The weighted average closing share price immediately before the dates on which the options were exercised by employees was HK$7.94 per share.

9. The weighted average closing share price immediately before the dates on which the options were exercised by consultants was HK$7.88 per share.

10. The weighted average closing share price immediately before the dates on which the options were exercised by director was HK$7.68 per share.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Other than as disclosed in the paragraph headed "Directors' and chief executives' interests and short position in shares, underlying shares and debentures" above, the Directors have not been notified by any person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept pursuant to Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 30 June 2026, in so far as the Directors were aware, none of the Directors or their respective associates had any interest in a business that competed or was likely to compete with the business of the Group.

EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 30 June 2026 and up to the date of this interim report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the "CG Code") as its own code of corporate governance, and is committed to maintaining high standards of corporate governance as well as transparency. The Company has complied with all applicable code provisions of the CG Code during the period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors of securities in the Company and other matters covered by the Model Code. Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the period.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's interim results including the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters as well as the condensed consolidated financial statements for the six months ended 30 June 2026 with the management.

APPRECIATION

I would like to take this opportunity to thank the Group's shareholders and business partners for their support and encouragement to the Group during the past six months. I would also like to thank our Directors and all staff members of the Group for their hard work and contribution to the Group.

By Order of the Board of
Plover Bay Technologies Limited
Chan Wing Hong Alex
Chairman and executive Director

Hong Kong, 30 July 2026