



PHOENITRON

PHOENITRON HOLDINGS LIMITED

品創控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8066)

**INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”).

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Director(s)”) of Phoenix Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

SUMMARY

- Unaudited revenue for the six months ended 30 June 2026 amounted to approximately HK\$37,380,000, representing a decrease of approximately 57.6% as compared to the corresponding period in 2025 of approximately HK\$88,096,000.
- The Group recorded an unaudited loss attributable to owners of the Company of approximately HK\$10,862,000 for the six months ended 30 June 2026 (2025: unaudited profit of approximately HK\$40,400,000).
- The Board does not recommend any payment of an interim dividend for the six months ended 30 June 2026 (2025: nil).

UNAUDITED INTERIM RESULTS

The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 June 2026 together with the comparative figures for the corresponding periods in 2025 as follows:

UNAUDITED 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
	<i>Notes</i>	HK\$	HK\$
Revenue	3	37,380,066	88,096,187
Cost of sales		<u>(31,434,385)</u>	<u>(21,047,112)</u>
Gross profit		5,945,681	67,049,075
Other income	4	89,147	160,669
Other (losses)/gains, net	5	(143,576)	544,905
Selling and distribution costs		(1,101,315)	(1,048,019)
Administrative expenses		(15,539,526)	(13,332,267)
Finance costs	6	<u>(114,124)</u>	<u>(433,705)</u>
(Loss)/profit before income tax	7	(10,863,713)	52,940,658
Income tax expense	8	<u>–</u>	<u>(12,542,207)</u>
(Loss)/profit for the period		<u>(10,863,713)</u>	<u>40,398,451</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<u>2,630,389</u>	<u>587,714</u>
Other comprehensive income for the period		<u>2,630,389</u>	<u>587,714</u>
Total comprehensive (loss)/income for the period		<u>(8,233,324)</u>	<u>40,986,165</u>

		Unaudited	
		Six months ended 30 June	
		2026	2025
<i>Notes</i>		<i>HK\$</i>	<i>HK\$</i>
(Loss)/profit for the period attributable to:			
Owners of the Company		(10,862,486)	40,399,551
Non-controlling interests		(1,227)	(1,100)
		<u>(10,863,713)</u>	<u>40,398,451</u>
Total comprehensive (loss)/income			
for the period attributable to:			
Owners of the Company		(8,232,097)	40,987,265
Non-controlling interests		(1,227)	(1,100)
		<u>(8,233,324)</u>	<u>40,986,165</u>
		<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share attributable			
to owners of the Company			
	<i>10</i>		
Basic		<u>(1.636)</u>	<u>7.542</u>
Diluted		<u>(1.630)</u>	<u>7.023</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		Unaudited 30 June 2026 HK\$	Audited 31 December 2025 HK\$
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	4,052,520	4,287,415
Intangible assets	12	36,225,727	12,610,016
Right-of-use assets		3,775,448	5,322,602
Deposits and prepayment	15	994,906	1,457,904
Prepayments for acquisition of property plant and equipment	15	253,549	209,193
Investment in TV programmes	13	27,976,879	26,593,407
		<u>73,279,029</u>	<u>50,480,537</u>
Current assets			
Inventories	14	1,281,711	514,179
Trade and other receivables, deposits and prepayments	15	35,590,524	45,608,180
Tax prepaid		163,170	163,170
Cash and cash equivalents		<u>22,205,181</u>	<u>41,877,803</u>
		<u>59,240,586</u>	<u>88,163,332</u>
Current liabilities			
Trade and other payables	16	15,452,300	12,221,265
Lease liabilities		3,040,581	3,361,213
Tax Payable		<u>11,343,421</u>	<u>10,886,666</u>
		<u>29,836,302</u>	<u>26,469,144</u>
Net current assets		<u>29,404,284</u>	<u>61,694,188</u>
Total assets less current liabilities		<u>102,683,313</u>	<u>112,174,725</u>

		Unaudited 30 June 2026 HK\$	Audited 31 December 2025 HK\$
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		854,728	2,063,474
Defined benefit plan obligations		<u>385,510</u>	<u>327,338</u>
		<u>1,240,238</u>	<u>2,390,812</u>
Net assets		<u>101,443,075</u>	<u>109,783,913</u>
EQUITY			
Share capital	18	132,825,350	132,825,350
Deficit in reserves		<u>(31,608,259)</u>	<u>(23,268,648)</u>
Equity attributable to the owners of the Company		101,217,091	109,556,702
Non-controlling interests		<u>225,984</u>	<u>227,211</u>
Total equity		<u>101,443,075</u>	<u>109,783,913</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Contributed surplus	Share option reserve	Convertible bonds reserves	Other reserves	Translation reserve	Accumulated losses	Total		
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2025 (audited)	105,069,500	363,340,792	-	13,985,669	3,299,070	129,000	7	9,864,195	(454,991,971)	40,696,262	228,364	40,924,626
Conversion of Convertible bonds	11,000,000	5,895,778	-	-	-	(129,000)	-	-	129,000	16,895,778	-	16,895,778
Profit/(loss) for the period	-	-	-	-	-	-	-	-	40,399,551	40,399,551	(1,100)	40,398,451
Other comprehensive income												
– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	587,714	-	587,714	-	587,714
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	587,714	40,399,551	40,987,265	(1,100)	40,986,165
Balance at 30 June 2025 (unaudited)	116,069,500	369,236,570	-	13,985,669	3,299,070	-	7	10,451,909	(414,463,420)	98,579,305	227,264	98,806,569
Balance at 1 January 2026 (audited)	132,825,350	381,154,070	-	13,985,669	479,165	-	7	10,900,515	(429,788,074)	109,556,702	227,211	109,783,913
Repurchase of shares	-	-	(107,514)	-	-	-	-	-	-	(107,514)	-	(107,514)
Loss for the period	-	-	-	-	-	-	-	-	(10,862,486)	(10,862,486)	(1,227)	(10,863,713)
Other comprehensive income												
– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	2,630,389	-	2,630,389	-	2,630,389
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	2,630,389	(10,862,486)	(8,232,097)	(1,227)	(8,233,324)
Balance at 30 June 2026 (unaudited)	132,825,350	381,154,070	(107,514)	13,985,669	479,165	-	7	13,530,904	(440,650,560)	101,217,091	225,984	101,443,075

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 June 2026*

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$	HK\$
Net cash generated from operating activities	5,179,022	52,598,901
Net cash used in investing activities	(23,775,274)	(11,705,675)
Net cash used in financing activities	<u>(1,930,365)</u>	<u>(1,739,126)</u>
Net (decrease)/increase in cash and cash equivalents	(20,526,617)	39,154,100
Cash and cash equivalents at beginning of the period	41,877,803	13,822,703
Effect of foreign exchange rate changes	<u>853,995</u>	<u>554,191</u>
Cash and cash equivalents at end of the period	<u><u>22,205,181</u></u>	<u><u>53,530,994</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong. The unaudited condensed consolidated financial statements also comply with the applicable disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2025.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company.

Except as for the adoption of new and amended HKFRSs issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2026, the material accounting policies that have been used in the preparation of these unaudited condensed consolidated financial statements are consistent with those of the audited annual financial statements of the Group for the year ended 31 December 2025, as described in those audited annual financial statements. The Directors anticipate that the application of all amendments to HKFRSs will have no material impact on the unaudited condensed consolidated financial statements of the Group.

The Group has not early applied the new and amended HKFRSs that have been issued by the HKICPA but are not yet effective.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for investment in TV programmes, which is measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited condensed consolidated financial statements. Although these estimates and assumptions are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates and assumptions.

In preparing these unaudited condensed consolidated financial statements, the critical accounting estimates and judgements made by the Group were the same as those that applied to the audited annual consolidated financial statements of the Group for the year ended 31 December 2025.

2. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the way in which information is reported internally to the chief operating decision makers (i.e. Executive Directors) for the purposes of resources allocation and assessment of segment performance. The business components in the internal reporting to the Executive Directors, the chief operating decision-makers, are determined following the Group’s major product and service lines. The Group is currently organized into the following six operating segments:

- (i) Sales of smart cards
- (ii) Sales of smart card application systems, including relevant services;
- (iii) Operation of private domain e-commerce platform, including referral services;
- (iv) Provision of artificial intelligence (A.I.) speech technology data services;
- (v) Sales and trading of scrap metals; and
- (vi) Media and entertainment.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

Revenue and expenses are allocated to the reportable segments with reference to sales generated and the expenses incurred by those segments. The measurement of segment profit/(loss) before income tax is the same as those used in preparing these unaudited condensed consolidated financial statements under HKFRSs except that finance costs, exchange gains/(losses), net and corporate expenses, net not directly attributable to business activities of the operating segments are not included in arriving at the operating results of the operating segments.

Segment assets include all assets with the exception of assets which are not attributable to the business activities of the operating segments and other assets which are managed on a group basis such as cash and cash equivalents.

Segment liabilities include all liabilities except for tax payables, liabilities (if any) which are not attributable to the business activities of the operating segments and other liabilities which are managed on a group basis.

Segment revenue, segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reconciliation to revenue, profit/(loss) before income tax, total assets and total liabilities are as follows:

Six months ended 30 June 2026

	Sales of smart cards HK\$ (Unaudited)	Sales of Smart card application systems HK\$ (Unaudited)	Operation of private domain e-commerce platform HK\$ (Unaudited)	Provision of AI speech technology data services HK\$ (Unaudited)	Sales and trading of scrap metals HK\$ (Unaudited)	Media and entertainment HK\$ (Unaudited)	Unallocated HK\$ (Unaudited)	Consolidated HK\$ (Unaudited)
Reportable segment revenue	30,276,966	3,100	-	7,100,000	-	-	-	37,380,066
Reportable segment profit/(loss)	3,400,079	260	(7,591,088)	1,832,579	(1,828,693)	(3,055)	-	(4,189,918)
Finance costs								(114,124)
Exchange losses, net								(132,250)
Corporate expenses, net								(6,427,421)
Loss before income tax								(10,863,713)

Six months ended 30 June 2025

	Sales of smart cards HK\$ (Unaudited)	Sales of Smart card application systems HK\$ (Unaudited)	Operation of private domain e-commerce platform HK\$ (Unaudited)	Provision of AI speech technology data services HK\$ (Unaudited)	Sales and trading of scrap metals HK\$ (Unaudited)	Media and entertainment HK\$ (Unaudited)	Unallocated HK\$ (Unaudited)	Consolidated HK\$ (Unaudited)
Reportable segment revenue	27,166,823	12,490	54,936,874	5,980,000	-	-	-	88,096,187
Reportable segment profit/(loss)	2,845,327	1,434	49,849,509	5,772,930	(1,681,427)	(2,500)	-	56,785,273
Finance costs								(433,705)
Exchange gains, net								544,905
Corporate expenses, net								(3,955,815)
Profit before income tax								52,940,658

30 June 2026

	Sales of smart cards <i>HK\$</i> (Unaudited)	Sales of smart card application systems <i>HK\$</i> (Unaudited)	Operation of private domain e-commerce platform <i>HK\$</i> (Unaudited)	Provision of AI speech technology data services <i>HK\$</i> (Unaudited)	Sales and trading of scrap metals <i>HK\$</i> (Unaudited)	Media and entertainment <i>HK\$</i> (Unaudited)	Unallocated <i>HK\$</i> (Unaudited)	Consolidated <i>HK\$</i> (Unaudited)
Reportable segment assets	<u>27,415,324</u>	<u>–</u>	<u>17,895,559</u>	<u>32,882,728</u>	<u>192,634</u>	<u>27,976,879</u>	<u>3,788,140</u>	110,151,264
Tax prepaid								163,170
Cash and cash equivalents								<u>22,205,181</u>
Total consolidated assets								<u>132,519,615</u>
Reportable segment liabilities	<u>12,468,517</u>	<u>–</u>	<u>802,459</u>	<u>956,056</u>	<u>109,750</u>	<u>1,373,626</u>	<u>4,022,711</u>	19,733,119
Tax payable								<u>11,343,421</u>
Total consolidated liabilities								<u>31,076,540</u>

31 December 2025

	Sales of smart cards <i>HK\$</i> (Audited)	Sales of smart card application systems <i>HK\$</i> (Audited)	Operation of private domain e-commerce platform <i>HK\$</i> (Audited)	Provision of AI speech technology data services <i>HK\$</i> (Audited)	Sales and trading of scrap metals <i>HK\$</i> (Audited)	Media and entertainment <i>HK\$</i> (Audited)	Unallocated <i>HK\$</i> (Audited)	Consolidated <i>HK\$</i> (Audited)
Reportable segment assets	<u>20,450,498</u>	<u>–</u>	<u>34,200,169</u>	<u>10,663,718</u>	<u>243,219</u>	<u>26,593,407</u>	<u>4,451,885</u>	96,602,896
Tax prepaid								163,170
Cash and cash equivalents								<u>41,877,803</u>
Total consolidated assets								<u>138,643,869</u>
Reportable segment liabilities	<u>11,107,523</u>	<u>–</u>	<u>2,172,791</u>	<u>187,709</u>	<u>119,452</u>	<u>–</u>	<u>4,385,815</u>	17,973,290
Tax payable								<u>10,886,666</u>
Total consolidated liabilities								<u>28,859,956</u>

There has been no inter-segment sale between different business segments during the periods.

3. REVENUE

The Group's revenue from external customers is as follows:

	Unaudited Six months ended 30 June	
	2026	2025
	HK\$	HK\$
Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point in time:		
Sales of smart cards and smart card application systems	30,280,066	27,179,313
Operation of private domain e-commerce platform	–	54,936,874
	<u>30,280,066</u>	<u>82,116,187</u>
Revenue from contracts with customers within the scope of HKFRS 15 recognised over time:		
Provision of AI speech technology data services	7,100,000	5,980,000
	<u>37,380,066</u>	<u>88,096,187</u>

4. OTHER INCOME

	Unaudited Six months ended 30 June	
	2026	2025
	HK\$	HK\$
Bank interest income	7,987	8,998
Sundry income	81,160	151,671
	<u>89,147</u>	<u>160,669</u>

5. OTHER (LOSSES)/GAINS, NET

	Unaudited Six months ended 30 June	
	2026	2025
	HK\$	HK\$
Loss on disposal of fixed assets	(11,326)	–
Exchange (losses)/gains, net	(132,250)	544,905
	<u>(143,576)</u>	<u>544,905</u>

6. FINANCE COSTS

	Unaudited Six months ended 30 June	
	2026	2025
	HK\$	HK\$
Interest charges on lease liabilities	114,124	78,200
Interest charges on convertible bonds	–	355,505
	<u>114,124</u>	<u>433,705</u>

7. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$	HK\$
Costs of inventories recognised as expenses	31,434,385	21,047,112
Depreciation		
– Property, plant and equipment	850,414	888,790
– Right-of-use assets	1,725,456	1,649,215

8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$	HK\$
Income tax expense	–	12,542,207

Notes:

(a) Hong Kong

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of profits of qualifying group entity will be taxed at 8.25%, and the profits above HK\$2,000,000 will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No Hong Kong Profits Tax has been provided for the six months ended 30 June 2026 and 2025 as the Group has sufficient tax losses brought forward to set off against assessable profits in Hong Kong.

(b) PRC

No PRC Enterprise Income Tax has been provided for the six months ended 30 June 2026 as the Group did not generate any assessable profits in the PRC during the six months ended 30 June 2026. (2025: the PRC Enterprise Income Tax has been calculated at 25% on the estimated assessable profits for the period ended 30 June 2025 based on the existing legislation, interpretations and practices in respect thereof).

(c) Other jurisdictions

Pursuant to the rules and regulations of the Cayman Islands, the British Virgin Islands (the “BVI”) and Taiwan, the Group is not subject to any income tax or did not generate any assessable profits in the Cayman Islands, the BVI and Taiwan (2025: nil).

9. DIVIDEND

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

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, calculated as follows:

	Unaudited	
	Six months ended 30 June	
	2026	2025
(Loss)/profit attributable to owners of the Company (<i>HK\$</i>)	(10,862,486)	40,399,551
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	664,126,750	535,678,992
Basic (loss)/earnings per share (<i>expressed in HK cents per share</i>)	(1.636)	7.542
Number of shares		
Issued ordinary shares at the beginning of the period	664,126,750	525,347,500
Effect of conversion of convertible bonds	–	10,331,492
Weighted average number of ordinary shares for the period	664,126,750	535,678,992

(b) Diluted (loss)/earnings per share

	Unaudited	
	Six months ended 30 June	
	2026	2025
Adjusted (loss)/profit attributable to owners of the Company (<i>HK\$</i>) for the purpose of calculating diluted (loss)/earnings per share	(10,862,486)	40,755,056
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	666,503,106	580,347,500
Diluted (loss)/earnings per share (<i>expressed in HK cents per share</i>)	(1.630)	7.023
Adjusted (loss)/profit attributable to the owners of the Company		
(Loss)/profit attributable to owners of the Company	(10,862,486)	40,399,551
Interest savings upon conversion of convertible bonds	–	355,505
Adjusted (loss)/profit attributable to owners of the Company (<i>HK\$</i>) for the purpose of calculating diluted (loss)/earnings per share	(10,862,486)	40,755,056
Number of shares		
Weighted average number of ordinary shares for the period	664,126,750	535,678,992
Adjustment for exercisable share options	2,376,356	–
Adjustment for convertible bonds converted	–	44,668,508
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	666,503,106	580,347,500

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately HK\$0.47 million (six months ended 30 June 2025: approximately HK\$1.37 million).

12. INTANGIBLE ASSETS

During the six months ended 30 June 2026, the Group acquired intangible assets of approximately HK\$25.09 million, of which of approximately HK\$15.98 million was purchased from 杭州天魁勝科技有限公司 (Hangzhou Tiankuisheng Technology Co., Ltd.*) in respect of AI model development costs. For details, please refer to the Company's announcement dated 14 November 2025. The remaining costs of approximately HK\$9.11 million were purchased from several other suppliers. (six months ended 30 June 2025: approximately HK\$14.46 million).

13. INVESTMENT IN TV PROGRAMMES

	HK\$
Balance at 1 January 2025 (audited)	31,663,113
Total gains/(losses) included in profit or loss:	
Fair value change	(5,865,609)
Exchange difference arising from translation, included in other gains, net	<u>795,903</u>
Balances at 31 December 2025 and 1 January 2026 (audited)	26,593,407
Total gains/(losses) included in profit or loss:	
Fair value change	–
Exchange difference arising from translation, included in other gains, net	<u>1,383,472</u>
Balance at 30 June 2026 (unaudited)	<u>27,976,879</u>

During the year ended 31 December 2025, the management of Zhe Jiang You Sheng is still under negotiation with television station in relation to the broadcast details and no agreement was concluded. During the year ended 31 December 2025, with reference to the broadcast progress provided by Zhe Jiang You Sheng, the directors of the Company further revisited the broadcasting timetable with Zhe Jiang You Sheng and tentatively expected the TV programmes to be released in the PRC before the mid of 2026 and the net profit distribution to be received by the end of the third quarter of 2026. In the opinion of the directors, since the exact timetable for recovering the carrying amount remains uncertain and beyond twelve months after the end of Reporting Period, the investment in TV programmes was classified as non-current assets as at 30 June 2026.

During the year ended 31 December 2025, the Group's investment in TV programmes is measured at fair value in the consolidated statement of financial position on a recurring basis, categorised into three levels of a fair value hierarchy. The levels are based on the observability of significant inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

* *The English translation of the Chinese name is for information purpose only, and should not be regarded as the official English translation of such name.*

The level in the fair value hierarchy within which the investment in TV programmes is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The fair value of the investment in TV programmes is level 3 fair value measurement. There were no transfers between Levels 1, 2 and 3 during the year ended 31 December 2025.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments by adopting an income approach based on the discounted cash flow.

Fair value measurements using significant unobservable inputs (level 3)

The above movement presents the changes in level 3 item during the year ended 31 December 2025.

Significant unobservable inputs	Unobservable inputs	Relationship of unobservable inputs to fair value
Discount rate	21.29%	The higher/lower the discount rate, the lower/higher the fair value.
Estimated revenue generated by the TV programmes	RMB210,000,000	The higher/lower the estimated revenue generated by the TV programmes, the higher/lower the fair value.

During the year ended 31 December 2025, should the discount rate increase or decrease by 3% respectively, the fair value of the investment in TV programmes would be decreased by HK\$1,275,037 or increased by HK\$1,373,251 respectively. Should the estimated revenue generated by the TV programmes increase or decrease by 10% respectively, the fair value of the investment in TV programmes would be increased or decreased by HK\$2,740,884 and HK\$2,607,182 respectively.

During the year ended 31 December 2025, the Group transferred its entire 30% investment rights and related obligations under the Joint Production Agreement to a third-party, Nanjing Qichuang, at the consideration of RMB24,200,000 (equivalent to approximately HK\$26,593,800). The consideration of RMB24,200,000 (equivalent to approximately HK\$26,593,800) is payable in three instalments: 5% within 30 days from the effective date of the agreement, 10% on or before 30 April 2026, and the remaining balance payable in instalments, with all amounts to be fully settled no later than two years from the effective date of the agreement. As the Group has not transferred the significant risks and rewards of the TV programmes, the transfer did not meet the derecognition criteria under HKFRS 9, the instrument continues to be recognised as financial asset measured at FVTPL. Further details are set out in the Company's announcement dated 29 December 2025. Correspondingly, the investment in TV programmes is measured at a fair value of HK\$27,976,879 at the period ended 30 June 2026 (year ended 31 December 2025: HK\$26,593,407).

14. INVENTORIES

	Unaudited 30 June 2026 HK\$	Audited 31 December 2025 HK\$
Raw materials	654,119	334,195
Work-in-progress	621,540	178,357
Finished goods	6,052	1,627
	<u>1,281,711</u>	<u>514,179</u>

15. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited 30 June 2026 HK\$	Audited 31 December 2025 HK\$
Trade receivables (<i>note</i>)	11,876,820	6,570,075
Other receivables, deposits and prepayments	24,962,159	40,705,202
Total trade and other receivables, deposits and prepayments	36,838,979	47,275,277
Less: Non-current deposits and prepayments	(994,906)	(1,457,904)
Less: Non-current prepayments for acquisition of property, plant and equipment	(253,549)	(209,193)
Current trade and other receivables, deposits and prepayments	35,590,524	45,608,180

Note:

The credit term granted by the Group to its trade customers normally ranges from 30 days to 90 days (2025: 30 days to 90 days). Based on the invoice dates, the ageing analysis of the Group's trade receivables is as follows:

	Unaudited 30 June 2026 HK\$	Audited 31 December 2025 HK\$
0 – 30 days	10,946,391	6,336,956
31 – 90 days	930,429	87,157
Over 90 days	–	145,962
	11,876,820	6,570,075

16. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2026 HK\$	Audited 31 December 2025 HK\$
Trade payables (<i>note</i>)	5,390,605	2,882,447
Other payables and accrual	10,061,695	9,338,818
	15,452,300	12,221,265

Note:

Credit period granted by suppliers normally range from 30 days to 90 days (2025: 30 days to 90 days). Based on the invoice dates, the ageing analysis of the trade payables is as follows:

	Unaudited 30 June 2026 HK\$	Audited 31 December 2025 HK\$
0 – 30 days	2,195,069	1,365,906
31 – 60 days	2,308,636	814,373
61 – 90 days	685,543	494,075
Over 90 days	201,357	208,093
	5,390,605	2,882,447

17. CONVERTIBLE BONDS

On 3 September 2024 (the “Issue Date”), the Company issued an unsecured convertible bonds with an aggregate principal amount of HK\$16,500,000 (the “Convertible Bonds”) to Mr. Guo Rongxiang (“Mr. Guo”), who was an independent third party prior to the subscription of the Convertible Bonds. Mr. Guo was appointed as an executive director of the Company with effect from 11 September 2024. The Convertible Bonds have a coupon interest rate of 5% per annum, which will be paid on the maturity date based on the outstanding Convertible Bonds at the maturity date.

The Convertible Bonds mature three years from the Issue Date at its principal amount; or can be early redeemed by the Company in whole or part of the outstanding Convertible Bonds at 100% of the principal amount plus any accrued interest; or can be converted into shares of the Company on and after the Issue Date to the maturity date at the holder’s option at the conversion price of HK\$0.30 per share, which is subject to certain adjustments prescribed in the convertible bonds subscription agreement.

The fair value of the liability component at the Issue Date was calculated using market interest rate for instruments without conversion option of comparable credit status which was referenced to a valuation performed by an independent qualified professional valuer. The residual amount, representing the value of the equity component, had been included in the convertible bonds equity reserve within equity.

The liability component was amortised over the term of the Convertible Bonds with the effective interest method. The effective interest rate of the liability component of the Convertible Bonds on initial recognition, which included the impact of direct related transaction costs, is 5.33% per annum and is subsequent carried at amortised cost.

On 28 May 2025, the Company issued 55,000,000 shares at HK\$0.30 each following the conversion of convertible bonds in full by Mr. Guo.

Movement of the equity component and the liability component during the reporting period are as follows:

	HK\$
Liability component	
Nominal value of the Convertible Bonds	16,500,000
Equity component at the Issue Date	(129,000)
Net of transaction costs	<u>(107,846)</u>
Fair value of liability component at the Issue Date	16,263,154
Accrued effective interest	<u>277,119</u>
Balance at 1 January 2025 (audited)	16,540,273
Accrued effective interest (<i>note 6</i>)	355,505
Conversion	<u>(16,895,778)</u>
Balances at 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	–
Equity component	
Equity component at the Issue Date and at 1 January 2025 (audited)	129,000
Conversion	<u>(129,000)</u>
Balances at 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	–

18. SHARE CAPITAL

	Number of shares	Nominal Value HK\$
Authorised		
Ordinary shares of HK\$0.20 each at 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	1,500,000,000	300,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.20 each at 1 January 2025 (audited)	525,347,500	105,069,500
Conversion (<i>note a</i>)	55,000,000	11,000,000
Exercise of share option (<i>note b</i>)	83,779,250	16,755,850
At 31 December 2025 (audited), 1 January 2026 (audited), and 30 June 2026 (unaudited)	664,126,750	132,825,350

Notes:

- (a) During the year ended 31 December 2025, convertible bonds with principal amount of HK\$16,500,000 were converted into 55,000,000 ordinary shares of the Company with HK\$0.20 each at a conversion price of HK\$0.30 per share. The net proceeds were applied to the development of e-commerce business and as general working capital of the Group.
- (b) During the year ended 31 December 2025, certain share option holders exercised their option rights to subscribe for an aggregate of 83,779,250 ordinary shares of the Company with HK\$0.20 each at an exercise price of HK\$0.20 per share and HK\$0.427 per share respectively. The total proceeds of HK\$28,673,350 has been fully applied as working capital of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Operations Review

During the Reporting Period, the Group's financial results were mainly derived from the contract manufacturing and sales of smart cards, the operation of the private domain e-commerce platform (which has been upgraded to a global digital gaming platform), and the provision of artificial intelligence speech technology data services.

Sales of Smart Cards and Smart Card Application Systems

The smart card business continued to serve as a stable source of revenue for the Group and provided fundamental support to overall operations. The Group focuses on the production, manufacturing and global trading of telecom SIM cards, covering the complete manufacturing process from milling, embedding, lamination and personalisation to packaging, and also provides eSIM personalisation and value-added packaging services for telecom cards. The Group is equipped with advanced multi-process production facilities with an annual production capacity exceeding 300 million cards, which is capable of meeting the needs of global customers.

In recent years, while consolidating its international business, the Group has gradually expanded into the domestic market and established cooperative relationships with enterprises including Hengbao Co., Ltd., Wangao Intelligent Technology Co., Ltd. and Shenzhen Zhida Intelligent Technology Co., Ltd.

During the Reporting Period, the number of orders for contract manufacturing and sales of smart cards increased by approximately 5% as compared with the corresponding period last year. Revenue amounted to approximately HK\$30,280,000, representing an increase of approximately HK\$3,100,000 or about 11.4% from approximately HK\$27,180,000 in the corresponding period of 2025. Looking ahead to the second half of the year, order volume and revenue are expected to increase slightly as compared with the second half of last year. In addition to stable orders from existing customers, the Group has added two new business partners: one has introduced a new customer in Central Asia (sample production was successfully completed in the first half of the year and orders commenced in July, with an expected annual order volume increase of approximately 7 to 10 million cards); the other has brought new packaging orders, contributing approximately 4 million packaging cards in the first half of the year.

E-commerce Business (Global Digital Gaming Platform)

During the Reporting Period, the original private domain e-commerce platform terminated its agency operation contract with the game company upon expiry. The original platform mainly operated through agency promotion of games and utilised the advantages of its private domain membership base to develop members for games and receive revenue sharing. Following the termination of such cooperation, the related promotion profits also ceased.

Hence, the Group has identified new game agency partners. As the new partners primarily target the international market, the original platform needed to be upgraded to an internationalised promotion and operation version. Pursuant to the voluntary announcement of the Company dated 31 December 2025, the Group has upgraded the “Dongchuang Shuyu” platform to Version 2.0 of the digital entertainment platform, transforming it into a global digital gaming platform, which is operated by the Group’s wholly-owned subsidiary, Nova Digital Labs Limited, focusing on the promotion and operation of digital gaming platforms on the global internet. During the Reporting Period, the main work focused on developing international game players and constituted the initial promotion and investment stage of the Version 2.0 platform.

At present, the Version 2.0 internationalised private domain game agency promotion platform is operating normally, and the preliminary data debugging, software testing and user familiarisation have been largely completed. This segment recorded a loss of approximately HK\$7,600,000 during the Reporting Period (as compared with segment profit before and after tax of approximately HK\$49,800,000 and HK\$37,700,000 respectively in the corresponding period of 2025). The loss was mainly attributable to technical development expenses required for the platform upgrade, international platform operation and maintenance costs, international traffic and server costs (significantly higher than those in the original domestic market), as well as market expansion expenses; the commercial launch progress was also delayed relative to original expectations.

In the second half of the year, the Group will continue to advance platform operations, endeavour to improve cash flow, and strengthen risk control and revenue management. Revenue generation is expected to commence in the second half of the year. This upgrade constitutes a strategic adjustment aimed at enhancing the authenticity and traceability of game data and equipment through blockchain technology, thereby establishing a more solid foundation for the international market. The related expenses were all incurred in connection with the promotion and operation of the Version 2.0 platform.

Provision of Artificial Intelligence Speech Technology Data Services

During the Reporting Period, in the artificial intelligence speech technology services business, the Group completed an AI speech customisation service project, recording customisation technical service fees of approximately HK\$7,100,000, and completed the procurement of related customisation development software, tools and environment. The Group has also established its own GPU digital intelligent computing centre, which enables local deployment of AI speech algorithms, model training and parameter tuning, and the establishment of corresponding technical environments to meet users’ customisation requirements, background noise handling in specific application scenarios, recognition accuracy and specialised sentence reinforcement training needs.

Voice material collection work was carried out in parallel with the promotion of the Version 2.0 digital entertainment platform, and more than 10,000 hours of voice samples have been accumulated. The Group is following up on smart fire service system projects within and outside the People's Republic of China as disclosed in the voluntary announcement of the Company dated 8 July 2026 (through the entering into of a voice artificial intelligence technology cooperation framework agreement with a partner). Other AI speech application scenarios, such as the establishment of a film and television dubbing technology service platform and localised speech recognition services, remain under research.

During the Reporting Period, the increase in intangible assets was mainly due to the AI speech technology services as a newly established business of the Group, with no prior technical reserves or software development tools. Although the Group already possesses AI speech algorithms and a computing power centre, the procurement of reusable software environments, tools and training data was still required to meet the future needs of customised application customer requirements.

During the Reporting Period, the profit of this segment decreased by approximately HK\$3,940,000 as compared with the corresponding period last year, partly attributable to the higher direct costs of the customisation projects and the increased amortisation of intangible assets (know-how) acquired since the second half of 2025.

FINANCIAL REVIEW

For the six months ended 30 June 2026 (the "Reporting Period"), the Group's financial result was principally derived from the contract manufacturing and sales of smart cards, the operation of private domain e-commerce platform and the provision of artificial intelligence (A.I.) speech technology data services.

Revenue

Operation of private domain e-commerce platform

During the Reporting Period, the Group did not generate revenue from operation of private domain e-commerce platform due to a delayed commercial launch of Dongchuang App 2.0 (six months ended 30 June 2025: HK\$54.94 million).

Sales of smart cards and smartcard application systems

During the Reporting Period, the Group's revenue generated from sales of smart cards and smartcard application systems amounted to approximately HK\$30.28 million, representing an increase of approximately HK\$3.10 million or 11.4% as compared to the corresponding period in 2025 of approximately HK\$27.18 million.

Provision of AI speech technology data services

During the Reporting Period, the Group's revenue generated from provision of AI speech technology data services amounted to approximately HK\$7.10 million (six months ended 30 June 2025: HK\$5.98 million).

Cost of Sales ("COS") and Gross Profit

Operation of private domain e-commerce platform

During the Reporting Period, the Group recorded cost of sales for operation of private domain e-commerce platform amounted to approximately HK\$7.41 million (six months ended 30 June 2025: HK\$3.32 million).

Sales of smart cards and smartcard application systems

During the Reporting Period, due to the increase in revenue year-on-year, cost of sales incurred for sales of smart cards and smartcard application systems amounted to approximately HK\$19.89 million, representing an increase of approximately HK\$2.32 million or 13.2% as compared to the corresponding period in 2025 of approximately HK\$17.57 million.

Provision of AI speech technology data services

During the Reporting Period, the Group recorded cost of sales for the provision of AI speech technology data services amounted to approximately HK\$4.14 million (six months ended 30 June 2025: HK\$0.16 million).

Gross Profit

Due to the aforesaid, the Group recorded a significant decrease in gross profit of HK\$61.10 million, or 91.1%, during the Reporting Period, from the corresponding period in 2025 of approximately HK\$67.05 million, to approximately HK\$5.95 million.

Other Income

Other income of HK\$89,147 consisted of bank interest income of HK\$7,987 and sundry income of HK\$81,160 (six months ended 30 June 2025: HK\$160,669, comprised of bank interest income of HK\$8,998 and sundry income of HK\$151,671).

Other (Losses)/Gains, net

During the Reporting Period, other losses (net) amounted to approximately HK\$0.14 million which included exchange losses of approximately HK\$0.13 million, being exchange differences arising from translating the carrying balance of investment in TV programme at the balance sheet date, offset by the exchange losses arising from foreign currency-based transactions and the loss on disposal of fixed assets of HK\$11,326 (six months ended 30 June 2025: other gains (net) was exchange differences of approximately HK\$0.55 million).

Selling and Distribution Costs

During the Reporting Period, selling and distribution costs amounted to approximately HK\$1.10 million, representing an increase of approximately HK\$0.05 million, or 5.1%, as compared to the corresponding period in 2025 of approximately HK\$1.05 million. The increase was mainly due to the increases in revenue of smartcard segment year-on-year.

Administrative Expenses

Administrative expenses recorded an increase of approximately HK\$2.21 million, or 16.6%, during the Reporting Period, from approximately HK\$13.33 million for the corresponding period in 2025, to approximately HK\$15.54 million. The increase is primarily attributable to the increases in legal and professional expenses and salary and wages during the Reporting Period.

Finance Costs

During the Reporting Period, the interest charges on lease liabilities of approximately HK\$0.11 million (six months ended 30 June 2025: finance costs comprised of interest charges on lease liabilities and interest charges on convertible bonds and amounted to approximately HK\$0.43 million).

Income Tax Expense

During the Reporting Period, no income tax expenses have been provided since the Group had no assessable profit or sufficient tax losses brought forward to set off against assessable profits for the six months ended 30 June 2026. (six months ended 30 June 2025: income tax expenses of approximately HK\$12.54 million was provided for in respect of the profit generated from the operation of private domain e-commerce platform).

Non-controlling Interest

During the Reporting Period, a loss of HK\$1,227 attributable to the non-controlling interests was recognized (six months ended 30 June 2025: HK\$1,100).

As a result of the foregoing, loss attributable to owners of the Company for the Reporting Period amounted to approximately HK\$10.9 million (six months ended 30 June 2025: profit of approximately HK\$40.4 million).

LIQUIDITY AND FINANCIAL RESOURCES/CAPITAL STRUCTURE

During the Reporting Period, the Group financed its business operations and investments with cash, revenue generated from operating activities. As at 30 June 2026, the Group had cash and bank balances of approximately HK\$22.2 million (31 December 2025: approximately HK\$41.9 million) and no outstanding long-term convertible bonds (31 December 2025: nil).

As at 30 June 2026, the Group had current assets of approximately HK\$59.2 million (31 December 2025: approximately HK\$88.2 million) and current liabilities of approximately HK\$29.8 million (31 December 2025: approximately HK\$26.5 million). The current ratio, expressed as current assets over current liabilities, was 2.0 (31 December 2025: 3.3).

EMPLOYEE INFORMATION

As at 30 June 2026, the Group employed a total of 147 employees (31 December 2025: 138 employees), of which 16 were located in Hong Kong and the rest were located in the PRC and Taiwan. Among them, around 37% of the workforce (including senior management) and around 29% of the Group's senior management positions were female. The Company considers there is a balanced gender diversity in its workforce as a whole, and intends to maintain a similar level of balance. To support diversity at different levels of the Group, the Group is enhancing diversity awareness through employee networks, hiring and recruitment practices, and awareness raising promotions and training for all employees.

Employee cost, including Directors' remuneration, was approximately HK\$13.0 million (six months ended 30 June 2025: approximately HK\$11.8 million) during the Reporting Period. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. In addition to basic salaries and participation in mandatory provident fund scheme, staff benefits include medical scheme and share options.

SIGNIFICANT INVESTMENTS

Save as disclosed under section headed "Management Discussion and Analysis" and "Notes to the Unaudited Condensed Consolidated Financial Statements" above, there were no other significant investments for the six months ended 30 June 2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group made no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 June 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under section headed “Management Discussion and Analysis” and “Notes to the Unaudited Condensed Consolidated Financial Statements” above, there were no future plans for material investments or capital assets as at 30 June 2026.

CHARGE ON GROUP ASSETS

At 30 June 2026, there is no charge on assets of Group (31 December 2025: nil).

GEARING RATIO

The gearing ratio of the Group, expressed as a percentage of total borrowings including lease liabilities to total assets of the Group, was 2.9% as at 30 June 2026 (31 December 2025: 3.9%).

CAPITAL COMMITMENTS

As at 30 June 2026, capital commitment of the Group for acquisition of property, plant and equipment amounted to approximately HK\$0.1 million (31 December 2025: approximately HK\$0.1 million).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities.

EVENT AFTER THE REPORTING PERIOD

There are no significant events after the Reporting Period of the Group.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group’s exposures to currency risk arise from its investment in TV programmes and overseas sales and purchases, which are primarily denominated in Renminbi (“RMB”) and United States Dollars (“USD”). These are not the functional currencies of the group entities to which these transactions relate.

To mitigate the Group's exposure to foreign currency risk, cash flows in foreign currencies are monitored in accordance with the Group's risk management policies. Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. The policy to manage foreign currency risk has been followed by the Group since prior periods and is considered to be effective.

DIRECTORS' INTERESTS AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL AND OPTIONS

As at 30 June 2026, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which would be required pursuant to section 352 of the SFO or to be entered in the register as referred to therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to Model Code, were as follows:

Name of Directors	Nature of interest	Long/short position	Number of shares of the Company	Number of underlying shares of the Company	Approximate percentage of interest in the Company's issued share capital
<i>Executive Directors</i>					
Ms. Lily Wu (Note 1)	Beneficial owner	Long	100,000	4,500,000	0.69
Mr. Guo Rongxiang	Beneficial owner	Long	55,785,000	–	8.39
Mr. Chang Wei Wen	Beneficial owner	Long	5,025,000	–	0.75
Mr. Yang Meng Hsiu	Beneficial owner	Long	8,250,000	–	1.24
<i>Independent non-executive Directors</i>					
Mr. Chan Siu Wing, Raymond (Note 2)	Beneficial owner	Long	–	450,000	0.06
Ms. Wong Ka Wai, Jeanne (Note 2)	Beneficial owner	Long	–	450,000	0.06

Notes:

1. These include 4,500,000 share options conferring rights to subscribe for 4,500,000 shares.
2. These include 450,000 share options conferring rights to subscribe for 450,000 shares.

Save as disclosed above, as at 30 June 2026, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which was required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which was required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, as far as is known to the Directors, the persons (other than Directors or chief executive of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of shareholders	Type of interests	Long/short position	Number of shares of the Company	Approximate percentage of interests
Golden Dice Co., Ltd. <i>(Note 1)</i>	Beneficial	Long	111,872,512	16.85
Best Heaven Limited <i>(Note 1)</i>	Beneficial	Long	31,586,500	4.75
Mr. Tsai Chi Yuan <i>(Note 1)</i>	Interests in controlled company	Long	143,459,012	21.60

Note:

1. Mr. Tsai Chi Yuan is deemed to be a substantial shareholder of the Company by virtue of his 100% beneficial interest in Golden Dice Co., Ltd. and Best Heaven Limited.

Save as disclosed above, as at 30 June 2026, the Directors and the chief executive of the Company were not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTIONS

Pursuant to the resolution passed by the shareholders of the Company at the extraordinary general meeting of the Company dated 10 April 2025, a share option scheme (the “New Share Option Scheme”) was approved and adopted. The summary of the terms of the New Share Option Scheme is set out below.

The purpose of the New Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive or rewards to the eligible participants for the contribution or potential contribution to the Group, and to promote the success of the business of the Group. The New Share Option Scheme will give the eligible participants an opportunity to have a personal stake in the Company and will help motivate the eligible participants in optimising their performance and efficiency and attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Under the New Share Option Scheme, the Board of Directors which shall include the independent non-executive directors may, at its discretion, invite (i) any employee(s) and director(s) of any member of the Group (“Employee Participant(s)”); and/or (ii) any directors or employees of the holding companies, fellow subsidiaries or associated companies of the Company; and/or (iii) any service providers who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, to take up options at HK\$1.00 to subscribe for shares in the Company at the higher of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheets on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediate preceding the date of grant; and (iii) the nominal value of a share.

The total number of shares which may be issued upon exercise of all options which may be granted under the New Share Option Scheme shall not exceed 10% of the total number of shares in issue as at the date of approval of the New Share Option Scheme.

The option period in respect of any particular option shall be determined by the Board of Directors, provided that no option shall be exercisable after ten years from the date of its grant. Under the New Share Option Scheme, an option must be held by the grantee for at least twelve (12) months before the option can be exercised. However, the Board (or the remuneration committee of the Company where it relates to grants of options to an Employee Participant who is a Director and/or senior manager of the Company) have discretion in allowing a shorter vesting period to an employee participant under certain circumstances.

During the six months ended 30 June 2026, no share options were granted, lapsed or forfeited under the New Share Option Scheme.

Pursuant to the resolution passed by the shareholders of the Company at the extraordinary general meeting of the Company dated 8 January 2008, a share option scheme (the “Share Option Scheme”) was approved and adopted. The share options are fully vested at the date of grant. Summary of the share options outstanding during the six months ended 30 June 2026 are as follows:

Name of participants	At 1 January 2026	Lapsed during the period	At 30 June 2026	Date of grant	Exercisable period	Exercise price HK\$
<i>Executive Directors</i>						
Ms. Lily Wu (Note 1)	4,500,000	–	4,500,000	3 January 2018	3 January 2018 to 2 January 2028	0.20
<i>Independent non-executive Directors</i>						
Mr. Chan Siu Wing, Raymond (Note 1)	450,000	–	450,000	3 January 2018	3 January 2018 to 2 January 2028	0.20
Ms. Wong Ka Wai, Jeanne (Note 1)	450,000	–	450,000	3 January 2018	3 January 2018 to 2 January 2028	0.20
	<u>5,400,000</u>	<u>–</u>	<u>5,400,000</u>			

Note:

1. As at 30 June 2026, the remaining life was about 1.51 years.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors and is chaired by Ms. Wong Ka Wai, Jeanne. The rest of members are Mr. Chan Siu Wing, Raymond and Mr. Yeung Man Chit, Daniel. At the discretion of the audit committee, executive Directors and/or senior management personnel, overseeing the Group’s finance and internal control functions, may be invited to attend meeting. The primary role and function of the audit committee are to review the Company’s financial controls, internal control and risk management systems; to review and monitor the external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; to review the Company’s consolidated financial statements, annual reports and interim reports, and to provide advice and comment thereon to the Board.

The Group's unaudited interim results for the six months ended 30 June 2026 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board believes that good corporate governance practices are essential for effective management and enhancement of shareholder value and investor confidence. The Company has taken a proactive approach in strengthening corporate governance practices, increasing transparency and sustaining accountability to shareholders through effective internal controls, under the leadership of its experienced and committed Board.

The Company has applied the principles set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the GEM Listing Rules.

In the opinion of the Board, the Company has complied with all the code provisions set out in the CG Code throughout the six months ended 30 June 2026.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the six months ended 30 June 2026.

COMPETING INTERESTS

As at 30 June 2026, none of the Directors or the management shareholders or any of their respective associates (as defined under the GEM Listing Rules) of the Company had any interest in a business that competed or might compete with the business of the Group directly or indirectly.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Repurchase Mandate

The Directors have been granted the general mandate (the "Repurchase Mandate") pursuant to resolutions of the shareholders of the Company passed on 23 May 2025 to repurchase shares of the Company in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued shares of the Company as at the date of passing such resolution.

Share Repurchase

During the Reporting Period, the Company repurchased totally of 330,000 shares of the Company under the Repurchase Mandate on the Stock Exchange for an aggregate consideration of HK\$107,350 (excluding transaction costs) which are held as treasury shares (as defined under the Listing Rules) of the Company, details as below:

Date of repurchases	No. of Shares repurchased	Purchase price per share		Aggregate consideration (excluding transaction costs) HK\$
		Highest price HK\$	Lowest price HK\$	
27 January 2026	110,000	0.350	0.320	36,300
4 February 2026	35,000	0.340	0.325	11,675
5 February 2026	75,000	0.330	0.310	23,850
9 February 2026	110,000	0.340	0.315	35,525

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange during the six months ended 30 June 2026.

By order of the Board
Lily Wu
Chairman

Hong Kong, 26 August 2026