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WINSHINE

瀛晟科學

WINSHINE SCIENCE COMPANY LIMITED

瀛晟科學有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 209)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Board of directors (the “**Board**” or the “**Director(s)**”) of Winshine Science Company Limited (the “**Company**”) hereby announces the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with the comparative figures as follows:

* For identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	4	382,395	515,908
Cost of sales		<u>(412,668)</u>	<u>(503,105)</u>
Gross (loss) profit		(30,273)	12,803
Other income, gains and losses, net	5	3,646	7,307
Reversal (provision) of expected credit loss for trade receivables		1,216	(574)
Provision of expected credit loss for other receivables		(300)	(4,558)
Impairment loss on property, plant and equipment		(6,887)	(9,682)
Impairment loss on right-of-use assets		(1,480)	(2,088)
Impairment loss on goodwill		–	(740)
Loss on disposal of subsidiaries		–	(1,563)
Selling and distribution costs		(4,967)	(4,793)
Administrative expenses		(38,295)	(44,503)
Other operating expenses		(2,003)	(2,862)
Finance costs	6	<u>(14,998)</u>	<u>(18,184)</u>
Loss before tax		(94,341)	(69,437)
Income tax credit (expense)	7	<u>671</u>	<u>(4,325)</u>
Loss for the year	8	<u>(93,670)</u>	<u>(73,762)</u>
Other comprehensive (expense) income for the year, net of tax			
<i>Items that will not be reclassified to profit or loss:</i>			
(Loss) gain on revaluation of properties		(3,388)	4,364
Deferred tax credit arising from revaluation of properties		<u>2,844</u>	<u>–</u>
		<u>(544)</u>	<u>4,364</u>
<i>Items that may be/have been reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		3,190	(1,630)
Release of exchange reserve upon disposal of subsidiaries		<u>–</u>	<u>533</u>
		<u>3,190</u>	<u>(1,097)</u>
Other comprehensive income for the year, net of tax		<u>2,646</u>	<u>3,267</u>
Total comprehensive expense for the year		<u>(91,024)</u>	<u>(70,495)</u>

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Loss for the year attributable to:			
Owners of the Company		(92,830)	(73,026)
Non-controlling interest		<u>(840)</u>	<u>(736)</u>
		<u>(93,670)</u>	<u>(73,762)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(90,215)	(69,860)
Non-controlling interest		<u>(809)</u>	<u>(635)</u>
		<u>(91,024)</u>	<u>(70,495)</u>
			(Restated)
Loss per share	<i>10</i>		
– Basic and diluted (HK cents)		<u>(42.1)</u>	<u>(41.6)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		87,037	93,929
Right-of-use assets		2,869	3,348
Rental deposit		368	146
		90,274	97,423
Current assets			
Inventories	11	72,290	79,009
Trade receivables	12	81,456	103,334
Prepayments, deposits and other receivables		9,121	17,856
Pledged bank deposits		30,108	–
Bank balances and cash		47,850	55,258
		240,825	255,457
Current liabilities			
Trade and bills payables	13	234,971	204,624
Other payables and accruals		39,573	46,326
Contract liabilities		1,406	722
Borrowings	14	255,192	217,089
Lease liabilities		1,396	1,090
Tax payables		2,941	5,863
Amount due to ultimate holding company		2,000	–
		537,479	475,714

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net current liabilities		<u>(296,654)</u>	<u>(220,257)</u>
Total assets less current liabilities		<u>(206,380)</u>	<u>(122,834)</u>
Non-current liabilities			
Lease liabilities		586	1,384
Deferred tax liabilities		<u>12,965</u>	<u>16,269</u>
		<u>13,551</u>	<u>17,653</u>
Net liabilities		<u><u>(219,931)</u></u>	<u><u>(140,487)</u></u>
Capital and reserves			
Share capital	<i>15</i>	1,857	1,454
Deficit		<u>(219,530)</u>	<u>(140,492)</u>
Capital deficiencies attributable to owners of the Company		(217,673)	(139,038)
Non-controlling interest		<u>(2,258)</u>	<u>(1,449)</u>
Capital deficiencies		<u><u>(219,931)</u></u>	<u><u>(140,487)</u></u>

Notes:

1. CORPORATE INFORMATION

Winshine Science Company Limited is a limited liability company incorporated in Bermuda. The address of the registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is located at Room 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries include manufacturing and sale of toys and the plantation and sale of agricultural products.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The Group’s ability to continue as a going concern basis

The Group incurred a loss attributable to owners of the Company of HK\$92,830,000 for the year ended 31 December 2025. As at the same date, the Group had net current liabilities and net liabilities of HK\$296,654,000 and HK\$219,931,000 respectively. The Group’s bank balances and cash amounted to HK\$47,850,000 in contrast to its borrowings of HK\$255,192,000, which are repayable within the next twelve months.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of its business.

The consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 31 December 2025 and subsequently thereto up to the date when the consolidated financial statements are authorised for issue. In order to improve the Group’s liquidity and financial position and to sustain the Group as a going concern, the directors of the Company have been implementing various measures as follows:

- i. the Company had completed the rights issue (the “**Rights Issue**”) in January 2026 to raise net proceeds of approximately HK\$176.7 million by way of issue of 1,299,962,832 rights shares (the “**Rights Share(s)**”) at a subscription price of HK\$0.14 per Rights Share;
- ii. the Group had settled the outstanding principal and interests of the borrowings of aggregate amount of HK\$117.5 million after the completion of Rights Issue;

- iii. Ms. Wang Jingyu (“**Ms. Wang**”) the ultimate beneficial owner of the Group, the Chairlady, Chief Executive Officer and Executive Director of the Company, has confirmed that she will provide continuing financial support to the Group to enable it to continue as a going concern and to settle its liabilities as and when they fall due in the foreseeable future;
- iv. the Group has banking facilities of Renminbi (“**RMB**”) 260,000,000 (equivalent to HK\$287,865,000), including exposure limit and non-exposure limit of RMB160,000,000 and RMB100,000,000 respectively, of which only exposure limit of RMB148,602,000 (equivalent to HK\$164,528,000) was utilised as of 31 December 2025 secured by the Group’s leasehold buildings and leasehold lands under right-of-use assets. The banking facilities will expire on 2 December 2026. The banking facilities have been recurrently renewed in the past, thus, the directors of the Company will negotiate with the bank for renewal of the banking facilities and consider the banking facilities will be renewed upon expiry;
- v. active cost-saving measures to control operating costs and administrative costs through various means has been implemented to improve operating cash flows at a level sufficient to finance the working capital requirements of the Group; and
- vi. considering other financing arrangements, if necessary, with a view to increasing the Group’s equity and liquidity.

The directors of the Company have carried out a detailed review of the Group’s cash flow projections prepared by the management. The cash flow projections cover a period of not less than twelve months from the date of when the consolidated financial statements are authorised for issue. On the basis of the successful implementation of the plans and measures described above in the foreseeable future, after assessing the Group’s current and forecasted cash flow positions, the directors of the Company are of the opinion that the Group will have adequate funds to finance its operations and to meet its liabilities as and when they fall due for at least twelve months from the date when the consolidated financial statements are authorised for issue. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue in business as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group’s assets to their recoverable amounts, to provide for any further liabilities and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARD

In the current year, the Group has applied for the first time the following amendments to HKFRS Accounting Standard as issued by the HKICPA, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to the HKFRS Accounting Standard in the current year has had no material impact on the financial position and performance of the Group for the current or prior years and/ or on the disclosures set out in the consolidated financial statements.

4. REVENUE AND OPERATING SEGMENTS

Revenue represents revenue arising on sale of toy products and sale of agricultural products for the year. The revenue relates to revenue from contracts with customers which is within the scope of HKFRS 15. All revenue is recognised at a point in time upon delivery of the goods to customers and when there is no unfulfilled obligation that could affect the customer's acceptance of the products and collectability of the related receivables is reasonably assured.

The Group manufactured toy products in accordance with the performance obligations as set out in each sales contract with its customers. The performance obligations in sales contracts have an original expected duration of one year or less. The Group has applied the practical expedient in HKFRS 15 and hence information about the Group's remaining performance obligations that are unfulfilled (or partially fulfilled) as of the end of the reporting period is not disclosed. The Group recognised the incremental costs of obtaining a contract as an expense when incurred since the amortisation period of the asset that the Group otherwise would have recognised was one year or less.

	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue from sale of toy products	382,395	514,023
Revenue from sale of agricultural products	<u>–</u>	<u>1,885</u>
	<u>382,395</u>	<u>515,908</u>

The Group is organised and its businesses are managed by divisions, which are a mixture of both business lines and geographical locations. Information reported internally to the executive directors of the Company, being the chief operating decision maker, for the purposes of resources allocation and performance assessment of segment performance focuses on types of goods delivered or services provided. The Group has presented the following two reportable segments to the chief operating decision maker. No operating segments have been aggregated in arriving at the following reportable segments of the Group:

1. Toys: this segment derives its revenue from manufacturing and sale of toys.
2. Agricultural products: this segment derives its revenue from plantation and sale of agricultural products.

The chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

All assets are allocated to reportable segments other than refundable deposits, certain property, plant and equipment, certain prepayments and other receivables and certain bank balances and cash, which are grouped as unallocated corporate assets.

All liabilities are allocated to reportable segments other than certain other payables and accruals, certain lease liabilities, certain borrowings and amount due to ultimate holding company which are grouped as unallocated corporate liabilities.

Segment (loss) profit before tax excludes unallocated corporate income and unallocated corporate expenses which are not directly attributable to the business activities of any operating segment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the years ended 31 December 2025 and 2024

	Toys		Agricultural products		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Reportable segment revenue						
Revenue from external customers	<u>382,395</u>	<u>514,023</u>	<u>–</u>	<u>1,885</u>	<u>382,395</u>	<u>515,908</u>
Reportable segment loss before tax	<u>(80,935)</u>	<u>(44,504)</u>	<u>(3,984)</u>	<u>(3,515)</u>	<u>(84,919)</u>	<u>(48,019)</u>
Unallocated corporate income					2,449	429
Unallocated corporate expenses					<u>(11,871)</u>	<u>(21,847)</u>
Loss before tax					<u>(94,341)</u>	<u>(69,437)</u>

5. OTHER INCOME, GAINS AND LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
Bank interest income	140	25
Net foreign exchange (loss) gain	(2,281)	2,288
Mould income	829	3,369
Rental income	–	189
(Loss) gain on disposal of property, plant and equipment, net	(278)	218
Gain (loss) on deregistration of subsidiaries (<i>note a</i>)	694	(242)
Wavier of borrowings	1,400	–
Wavier of directors' remuneration	1,316	–
Sundry income (<i>note b</i>)	<u>1,826</u>	<u>1,460</u>
	<u>3,646</u>	<u>7,307</u>

Notes:

- (a) During the year ended 31 December 2025, the Group deregistered a wholly-owned subsidiary in the People's Republic of China (the "PRC"). The gain on deregistration of a subsidiary at the date of deregistration was HK\$694,000 (2024: loss on deregistration of subsidiaries of HK\$242,000).
- (b) Sundry income included the imputed interest income from rental deposit of HK\$18,000 in 2025 (2024: HK\$36,000).

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank loans	5,977	9,931
Interest on corporate bonds	2,810	3,037
Interest on revolving loan	384	343
Interest on short-term loans	5,397	4,239
Interest on other loan	265	–
Interest on lease liabilities	165	208
Imputed interest on convertible bonds	–	426
	<u>14,998</u>	<u>18,184</u>

7. INCOME TAX (CREDIT) EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax		
Current year	9	–
PRC Enterprise Income Tax		
Current year	7	3,952
	<u>16</u>	<u>3,952</u>
Deferred tax (credit) expense	<u>(687)</u>	<u>373</u>
Income tax (credit) expense	<u>(671)</u>	<u>4,325</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the year ended 31 December 2025 (2024: nil).

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The Group is liable to the withholding taxes on dividends distributed by the subsidiaries established in the PRC in respect of earnings generated from 1 January 2008. Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% is applied to the Group as there is a double tax treaty between the PRC and Hong Kong and the relevant Hong Kong companies should be qualified for the preferential tax rate based on the prescribed conditions.

Taxation arising in other jurisdictions is calculated at the rates of tax prevailing in the relevant jurisdictions.

8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Employee benefit expenses (including directors' remuneration):		
– Wages and salaries	91,191	96,774
– Other employee benefits	1,237	3,148
– Contributions to defined contribution retirement plans	<u>10,192</u>	<u>9,857</u>
	<u><u>102,620</u></u>	<u><u>109,779</u></u>
Auditors' remuneration	780	1,000
Cost of inventories recognised as an expense (included in cost of sales)	392,554	495,518
Depreciation of property, plant and equipment	4,850	11,737
Depreciation of right-of-use assets	595	1,453
Write-down of inventories, net (included in cost of sales)	19,863	4,683
Short-term lease charges in respect of leasehold buildings	742	351
Professional fees (included in other operating expenses)	<u>2,003</u>	<u>1,350</u>

9. DIVIDENDS

No dividends were paid, declared or proposed during the year. The directors of the Company have determined that no dividend will be paid in respect of the year ended 31 December 2025 (2024: nil).

10. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(92,830)</u>	<u>(73,026)</u>
	<i>'000</i>	<i>'000</i> (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>220,701</u>	<u>175,695</u>

The weighted average number of ordinary shares for the years ended 31 December 2025 and 2024 for the purposes of calculating the basic loss per share, had been adjusted to account for the effect of the bonus element of the Rights Issue of the Company (*note 16*) which was completed on 16 January 2026.

The diluted loss per share is the same as the basic loss per share as there were no dilutive potential ordinary shares in issue for the years ended 31 December 2025 and 2024.

11. INVENTORIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Raw materials	15,846	19,313
Work-in-progress	40,939	44,934
Finished goods	<u>15,505</u>	<u>14,762</u>
	<u><u>72,290</u></u>	<u><u>79,009</u></u>

12. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables, gross	81,989	105,083
Less: provision of expected credit loss (the “ECL”)	<u>(533)</u>	<u>(1,749)</u>
Trade receivables, net	<u><u>81,456</u></u>	<u><u>103,334</u></u>

The following is an aged analysis of trade receivables (net of provision of ECL), presented based on the invoice dates, which approximated the revenue recognition date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	49,594	40,929
31 to 90 days	26,366	59,615
Over 90 days	<u>5,496</u>	<u>2,790</u>
	<u><u>81,456</u></u>	<u><u>103,334</u></u>

The Group’s trading terms with its customers are mainly on credit with credit periods generally ranging from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables, and overdue balances are reviewed regularly by management. Trade receivables are non-interest bearing. All trade receivables are expected to be recovered within one year.

13. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables, presented based on the invoice date:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	77,387	103,007
31 to 90 days	41,945	50,527
Over 90 days	<u>115,639</u>	<u>51,090</u>
	<u><u>234,971</u></u>	<u><u>204,624</u></u>

The trade and bills payables are expected to be settled within one year.

14. BORROWINGS

	2025 Contractual interest rate (%)	<i>HK\$'000</i>	2024 Contractual interest rate (%)	<i>HK\$'000</i>
Bank loans				
– secured	Fixed rates ranging from 3.50% to 5.20% per annum	150,192	Fixed rates ranging from 3.85% to 6.30% per annum	139,589
Corporate bonds				
– secured	Fixed rate at 6.75% per annum	45,000	Fixed rate at 6.75% per annum	45,000
Term loans				
– secured	Fixed rate at 12.00% per annum	17,000	Fixed rate at 12.00% per annum	17,000
– secured	Fixed rate at 12.00% per annum	5,000	Fixed rate at 12.00% per annum	5,000
Sub-total of secured borrowings		<u>217,192</u>		<u>206,589</u>
Revolving loan				
– unsecured	Fixed rate at 12.00% per annum	3,000	Fixed rate at 12.00% per annum	3,000
Term loans				
– unsecured	Fixed rate at 12.00% per annum	5,000	Fixed rate at 12.00% per annum	5,000
– unsecured	Fixed rate at 12.00% per annum	30,000	N/A	–
Other loan				
– unsecured	N/A	<u>–</u>	Interest-free	<u>2,500</u>
Sub-total unsecured borrowings		<u>38,000</u>		<u>10,500</u>
Total		<u>255,192</u>		<u>217,089</u>
Analysed as current		<u>255,192</u>		<u>217,089</u>

The above loans are measured at amortised costs.

15. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
At 1 January 2024		
Ordinary shares of HK\$0.01 each	70,000,000	700,000
Share consolidation (<i>note b</i>)	(56,000,000)	–
Share sub-division (<i>note c</i>)	<u>56,000,000</u>	<u>–</u>
At 31 December 2024, 1 January 2025 and 31 December 2025		
Ordinary shares of HK\$0.01 each	<u>70,000,000</u>	<u>700,000</u>
Issued and fully paid:		
At 1 January 2024		
Ordinary shares of HK\$0.01 each	509,822	5,098
Issue of new shares pursuant to subscription agreement (<i>note a</i>)	101,965	1,020
Share consolidation (<i>note b</i>)	(489,430)	–
Capital reduction (<i>note c</i>)	–	(4,894)
Issue of new shares pursuant to subscription agreement (<i>note d</i>)	<u>23,000</u>	<u>230</u>
At 31 December 2024 and 1 January 2025		
Ordinary shares of HK\$0.01 each	145,357	1,454
Issue of new shares pursuant to subscription agreement (<i>note e</i>)	9,400	94
Issue of new shares pursuant to placing agreement (<i>note f</i>)	<u>30,951</u>	<u>309</u>
At 31 December 2025		
Ordinary shares of HK\$0.01 each	<u>185,708</u>	<u>1,857</u>

Notes:

- (a) On 2 January 2024, the Company entered into a subscription agreement to issue and allot 101,964,566 ordinary shares of the Company the subscriber at a subscription price of HK\$0.066 per share under the general mandate. The issue of subscription shares was completed on 15 January 2024 with net proceeds of approximately HK\$6.5 million raised.
- (b) Pursuant to the special resolution passed at the special general meeting of the Company held on 22 May 2024, the Company completed share consolidation of every five (5) issued and unissued shares of par value of HK\$0.01 each in the share capital of the Company into one (1) consolidated share of par value of HK\$0.05 each. Accordingly, the authorised share capital of the Company had become HK\$700,000,000 divided into 14,000,000,000 consolidated shares of par value of HK\$0.05 each on 24 May 2024.

- (c) Immediately following the share consolidation in note (b) above, the issued share capital of the Company had been reduced by cancelling the paid-up capital to the extent of HK\$0.04 on each of the then issued consolidated shares such that the par value of each issued consolidated share was reduced from HK\$0.05 to HK\$0.01. Besides, each authorised but unissued consolidated share of HK\$0.05 each was sub-divided into five (5) new authorised and unissued ordinary shares of HK\$0.01 each. The capital reorganisation was completed on 24 May 2024. The Company's issued share capital has then be reduced from HK\$6,117,874 to HK\$1,223,575 by HK\$4,894,299, which was transferred to accumulated losses.
- (d) On 8 July 2024, the Company entered into a subscription agreement to issue and allot 23,000,000 ordinary shares of the Company to the subscriber at a subscription price of HK\$0.20 per share under specific mandate. The issue of subscription shares was completed on 26 August 2024 with net proceeds of approximately HK\$4.3 million raised.
- (e) On 22 January 2025, the Company entered into a subscription agreement to issue and allot 9,400,000 ordinary shares of the Company to the subscriber at a subscription price of HK\$0.14 per share under general mandate. The issue of subscription shares was completed on 28 January 2025 with net proceeds of approximately HK\$1.2 million raised.
- (f) On 11 September 2025, the Company entered into a placing agreement to issue and allot 30,951,496 ordinary shares of the Company to not less than six placees at a price of HK\$0.35 per placing share under general mandate (the “**Placing**”). The Placing was completed on 19 September 2025 with net proceeds of approximately HK\$10.4 million raised.

16. EVENTS AFTER END OF THE REPORTING PERIOD

Rights Issue

On 15 October 2025, the Company proposed the Rights Issue on the basis of seven (7) Rights Shares for every one (1) existing share of the Company held on the record date at a subscription price of HK\$0.14 per Rights Share on a fully underwritten basis by issuing an aggregate of 1,299,962,832 Rights Shares.

The Rights Issue has been approved by the independent shareholders of the Company at the special general meeting of the Company held on 5 December 2025. It became unconditional on 9 January 2026 and was completed on 16 January 2026. The gross proceeds from the Rights Issue were approximately HK\$182.0 million and the net proceeds, after deducting the underwriting commission and all other related expenses, were approximately HK\$176.7 million.

Proposed Change of Company Name

On 30 January 2026, the Board proposed to change the English name of the Company from “Winshine Science Company Limited” to “Poly Xverse Intelligent Technology Co. Ltd” and to adopt “香港萬維智能科技有限公司” as its secondary name in Chinese in place of the current Chinese name of “瀛晟科學有限公司”, which has not been registered with the Registrar of Companies in Bermuda and used for identification purpose only.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT ON THE GROUP’S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2025:

“OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the HKICPA and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3.1 to the consolidated financial statements, which stated that the Group incurred a loss attributable to owners of the Company of HK\$92,830,000 for the year ended 31 December 2025. As at the same date, the Group had net current liabilities and net liabilities of HK\$296,654,000 and HK\$219,931,000, respectively, and the Group’s bank balances and cash amounted to HK\$47,850,000, in contrast to its borrowings of HK\$255,192,000, which are repayable within the next twelve months. These conditions, along with other matters as set forth in note 3.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

FINAL DIVIDEND

The Board has resolved not to recommend the payment or declaration of any final dividend for the year ended 31 December 2025 (2024: nil).

BUSINESS REVIEW

For the year ended 31 December 2025 (“**FY2025**”), the Group is principally engaged in the manufacturing and sale of toys (the “**Toys Division**”) and the plantation and sale of agricultural products (the “**Agricultural Products Division**”).

For FY2025, the toys business continued to suffer in the near term due to factors beyond the Group’s control, especially the impact of increasing tariffs imposed by the United States (the “**U.S.**”) on Chinese imports in the first half of 2025. According to China Customs data in 2025, the total toys exports in the PRC recorded a year-on-year decline for three consecutive years. The Group recorded a 25.9% decline in revenue to HK\$382.4 million (2024: HK\$515.9 million) and a loss attributable to owners of the Company of HK\$92.8 million (2024: HK\$73.0 million) primarily owing to the challenging business conditions faced by the Group.

Reflecting on the past financial years, the toy manufacturing industry has navigated a landscape filled with challenges and opportunities, both of which played a crucial role in the Group's continued growth and success. The recent increase in tariffs imposed by the U.S. on Chinese imports has had a profound impact on the Group's business operations. These tariffs have led to heightened customers' product costs, which in turn, have affected the Group's pricing strategy and market competitiveness. As a result, there has been a continuous decline in order volumes from the U.S. customers. Another significant factor contributing to the increased loss is the rise in minimum wage levels across various regions in China together with escalating social insurance costs. The cumulative effect of the above has placed additional pressure on the Group's operating margins, diminishing its ability to reinvest in the business or pursue strategic growth initiatives. Overall, the Toys Division's sales in 2025 fell short of the levels achieved in 2024.

For FY2025, the Group recorded revenue of HK\$382.4 million, representing a decrease of 25.9% as compared to the revenue of HK\$515.9 million for the year ended 31 December 2024 ("FY2024"). The decrease in revenue was mainly due to the increase in tariffs imposed by the U.S. on Chinese imports which significantly reduce the revenue generated in Toys Division. The Group recorded a gross loss for the year of HK\$30.3 million, representing a turnaround from a gross profit of HK\$12.8 million recorded in FY2024, mainly because the existing revenue level of the Toys Division cannot cover its fixed costs.

The administrative expenses decreased from HK\$44.5 million to HK\$38.3 million mainly due to the Group's continued implementation of strict cost control measures. In the Toys Division, the Group streamlined its production team, rearranged part of the production processes to factories with lower labour costs and froze the salary levels of other staff. Thus, the overall staff costs have decreased by 6.6% or HK\$7.2 million to HK\$102.6 million (2024: HK\$109.8 million). In addition, the Group has actively implemented various cost-saving initiatives to control both operating and administrative expenses. These measures have successfully improved operating cash flows, enabling the Group to better finance its working capital requirements while achieving a notable reduction in administrative expenses.

For FY2025, the net loss of the Group amounted to HK\$93.7 million as compared with the net loss of HK\$73.8 million in FY2024. The increase in loss for FY2025 was mainly attributable to the gross loss incurred in the Toys Division for the year primarily due to the impact on the rising U.S. tariffs during FY2025, which outweighed the decreases in the impairment losses on property, plant and equipment and right-of-use assets, and provisions of ECL for trade and other receivables.

The following provides a detailed discussion on each division of the Group.

Toys Division

For FY2025, the revenue of the Toys Division comprised of sales to overseas customers of HK\$336.7 million (2024: HK\$495.5 million) and sales to domestic customers in China of HK\$45.7 million (2024: HK\$18.5 million). The aggregate revenue of the Toys Division decreased by 25.6% from HK\$514.0 million to HK\$382.4 million during the year. A gross loss of HK\$30.3 million was recorded as compared to a gross profit of HK\$13.8 million in FY2024. The decrease in both revenue and gross profit of the Toys Division were mainly due to the increase in tariffs imposed by the U.S. on Chinese imports which significantly reduce the revenue of the Toys Division and the rise in minimum wage levels across various regions in China. As a result, the Toys Division recorded a segment loss before tax of HK\$80.9 million in FY2025, as compared to the segment loss of HK\$44.5 million in FY2024.

Agricultural Products Division

For FY2025, no revenue was generated in Agricultural Products Division (2024: HK\$1.9 million). The Agricultural Products Division recorded a segment loss before tax of HK\$4.0 million (2024: HK\$3.5 million), which was mainly attributable to the impairment loss on property, plant and equipment of HK\$3.4 million.

Overall Results

For FY2025, the Group recorded a loss attributable to owners of the Company of HK\$92.8 million (2024: HK\$73.0 million) and basic loss per share was HK42.1 cents (2024: HK41.6 cents, restated upon Rights Issue being completed on 16 January 2026). The Group as a whole recorded a net loss of HK\$93.7 million (2024: HK\$73.8 million), with a loss of HK\$0.8 million (2024: HK\$0.7 million) being shared by the non-controlling interest. The total comprehensive expense attributable to owners of the Company was HK\$90.2 million (2024: HK\$69.9 million), after having recognised the other comprehensive income of HK\$2.6 million (2024: HK\$3.3 million) mainly representing the sum of the deferred tax credit arising from revaluation of properties, the loss on revaluation of properties and the exchange differences on translation of foreign operations.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

As at 31 December 2025, the Group had net current liabilities of HK\$296.7 million (2024: HK\$220.3 million) comprising the sum of bank balances and cash and pledged bank deposits of HK\$78.0 million (2024: HK\$55.3 million). The Group's current ratio, calculated as current assets divided by current liabilities of HK\$537.5 million (2024: HK\$475.7 million), was at the ratio of 0.45 time (2024: 0.54 time).

As at 31 December 2025, the Group's total borrowings amounted to HK\$257.2 million (2024: HK\$217.1 million) which comprised bank loans of HK\$150.2 million (2024: HK\$139.6 million), corporate bonds of HK\$45.0 million (2024: HK\$45.0 million), secured term loans of HK\$22.0 million (2024: HK\$22.0 million), unsecured borrowings of HK\$38.0 million (2024: HK\$10.5 million) and an amount due to ultimate holding company of HK\$2.0 million (2024: nil).

As at 31 December 2025, the capital deficiencies attributable to owners of the Company increased by 56.6% to HK\$217.7 million (2024: HK\$139.0 million) mainly as a result of the operating loss incurred by the Group for the year and the increase in borrowings. The Group financed its operations through a combination of debt financing and shareholders' equity. The Group's gearing ratio was determined as its net debt divided by total equity plus net debt where net debt included borrowings, amount due to ultimate holding company, trade and bills payables, other payables and lease liabilities less bank balances and cash. The gearing ratio of the Group as at 31 December 2025 was 188.4% (2024: 156.9%).

During the year and up to the date of this announcement, in order to improve the liquidity of the Group, the Company had conducted the following equity fund raising activities:

Date of relevant announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
22 January 2025	Subscription of new shares under general mandate at a subscription price of HK\$0.14 per share	HK\$1.2 million	(i) approximately HK\$0.1 million for payment of professional fees; and (ii) approximately HK\$1.1 million for payment of staff salaries, office rental and utilities expenses.	Fully utilised as intended.
11 September 2025	Placing of new shares under general mandate at a price of HK\$0.35 per placing share	HK\$10.4 million	(i) approximately 50% for repayment of loans; and (ii) approximately 50% for working capital and general corporate purposes, including but not limited to, settlement of outstanding audit fees, professional fees and administrative expenses.	(i) approximately 50% utilised for repayment of loans; (ii) approximately 10% utilised for settlement of outstanding audit fees; (iii) approximately 15% utilised for settlement of professional fees; and (iv) approximately 25% utilised for working capital and general corporate purposes, including staff salaries and administrative expenses.

Date of relevant announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
15 October 2025	Rights issue on the basis of seven (7) Rights Shares for every one (1) existing share of the Company held on the record date at a subscription price of HK\$0.14 per Rights Share on a fully underwritten basis by issuing an aggregate of 1,299,962,832 Rights Shares	HK\$176.7 million	<p>(i) approximately 66% for repayment of borrowings; and</p> <p>(ii) approximately 34% for the general working capital of the Group including (i) approximately HK\$20.0 million for the direct operational needs for the Toys Division, which includes but not limited to approximately HK\$15.0 million for the production costs and approximately HK\$5.0 million for the selling and distribution costs; and (ii) the remaining balance of approximately HK\$39.9 million for the general working capital of the Group, which refers to daily operation expenses including but not limited to staff salaries, audit and professional fees, other administrative costs, operating expenses and cash reserves.</p>	<p>(i) approximately 67% utilised for repayment of borrowings;</p> <p>(ii) approximately 2% utilised for the general working capital of the Group including staff salaries and professional fees; and</p> <p>(iii) approximately 31% will be utilised for general working capital before 31 December 2026.</p>

With the amount of liquid assets on hand, the unutilised net proceeds from the Rights Issue and the banking facilities, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirement.

Foreign Exchange Exposure

The monetary assets and liabilities and business transactions of the Group were mainly carried out and conducted in Hong Kong dollars, Renminbi and United States dollars. The Group maintained a prudent position in its foreign currency risk management. To a large extent, foreign exchange risks were minimised by matching the foreign currency monetary assets versus the corresponding foreign currency liabilities, and foreign currency revenues versus the corresponding foreign currency expenditures.

When considered appropriate, the Group would enter into various financial derivative instruments in order to mitigate foreign exchange rate exposure. In light of the above, it was considered that the Group's exposure to foreign exchange risks was not significant.

Charges on Assets

As at 31 December 2025, the Group's certain leasehold buildings and leasehold lands under right-of-use assets in the PRC with aggregate carrying amount of HK\$89.9 million (2024: HK\$93.0 million) and bank deposits of HK\$30.1 million (2024: nil) were pledged to secure general banking facilities granted to the Group and bills payable of the Group.

Contingent Liabilities

As at 31 December 2025, the Group had no significant contingent liability (2024: nil).

Future Plans for Material Investments and Capital Assets

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

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

For FY2025, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies (2024: nil).

Significant Investment

For FY2025, the Group did not have any significant investment (2024: nil).

Employee and Remuneration Policies

As at 31 December 2025, the Group employed 1,461 (2024: 1,654) employees, including directors, in Hong Kong and the PRC. The Group's total staff costs (inclusive of directors' remuneration) amounted to HK\$102.6 million (2024: HK\$109.8 million). To ensure that the Group is able to attract and retain directors and staff capable of attaining the best performance levels, remuneration packages for employees and directors were structured by reference to market terms, individual performance and experience. In addition, paid holidays, annual bonus, medical insurance, share options and subsidised training programme may also be offered to eligible employees. Remuneration policies are reviewed annually by the management of the Company. The Group's remuneration policy is structured to consider comparable position in the market and the prevailing business scale of the Group.

SUBSEQUENT EVENT

On 15 October 2025, the Company proposed the Rights Issue on the basis of seven (7) Rights Shares for every one (1) existing share of the Company held on the record date at a subscription price of HK\$0.14 per Rights Share on a fully underwritten basis by issuing an aggregate of 1,299,962,832 Rights Shares.

The Rights Issue became unconditional on 9 January 2026 and was completed on 16 January 2026. The gross proceeds from the Rights Issue were approximately HK\$182.0 million and the net proceeds, after deducting the underwriting commission and all other related expenses, were approximately HK\$176.7 million.

PROPOSED CHANGE OF COMPANY NAME

On 30 January 2026, the Board proposed to change the English name of the Company from “Winshine Science Company Limited” to “Poly Xverse Intelligent Technology Co. Ltd” and to adopt “香港萬維智能科技有限公司” as its secondary name in Chinese in place of the current Chinese name of “瀛晟科學有限公司”, which has not been registered with the Registrar of Companies in Bermuda and used for identification purpose only (the “**Proposed Change of Company Name**”).

The Proposed Change of Company Name is subject to the satisfaction of (i) the passing of a special resolution by the shareholders of the Company (the “**Shareholders**”) approving the Proposed Change of Company Name at the special general meeting of the Company (the “**SGM**”); and (ii) the Registrar of Companies in Bermuda granting approval of the Proposed Change of Company Name by way of issuing a Certificate of Change of Name and a Certificate of Secondary Name.

The SGM will be held at 10:30 a.m. on Tuesday, 31 March 2026 at Rooms 1101-4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong to consider and, if thought fit, inter alia, approve the Proposed Change of Company Name. For details, please refer to the announcement of the Company dated 30 January 2026 and the circular of the Company dated 12 March 2026.

PROSPECTS

During the year, in order to mitigate the impact of the rising U.S. tariffs, the Group focused on expanding its customer base within the domestic market in China, particularly in designer toys and blind boxes segments. Looking ahead, it is believed that there is significant potential for further growth in these segments. Our domestic clientele includes reputable brands, which position us favorably within the market.

The Group is committed to advancing automation within the toy manufacturing processes to reduce labor costs. In recent years, the Group has introduced several semi-automated technologies and 3D printing solutions. By enhancing production efficiency through automation, it aims to significantly lower operational costs while maintaining product quality and increasing output capacity.

The year of 2026 is likely to be characterised by a series of economic headwinds. One significant challenge is the ongoing geopolitical instability in various parts of the world. Geopolitical factors including the Israel-Iran conflicts, trade wars and shifting alliances continue to create uncertainty and impact global supply chains and trade flows. Additionally, inflationary pressures persist as central banks grapple with balancing interest rates to manage economic growth without stifling recovery efforts. It is anticipated that 2026 will be a challenging year and the Toys Division is expected to face tremendous pressure on its profit margins and turnover. While these challenges are significant, the management is committed to navigating this complex landscape through strategic initiatives aimed at improving operational efficiency, fostering innovation, and diversifying our market presence. The Board believes that by adapting to these challenges, the Company is able to achieve a long-term success in the evolving toy manufacturing industry.

Looking forward, we are cautiously optimistic as the Toys Division will continue to improve its performance and the Board shall continue to explore new business opportunities and look for new potential customers to increase the market shares.

CORPORATE GOVERNANCE

The Company had complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Listing Rules for the year ended 31 December 2025 except for the following deviations with reasons as explained:

Shareholders meetings

Code Provision F.2.2 (renumbered as Code Provision F.1.3 with effect from 1 July 2025)

Under Code Provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting.

Deviation

Mr. Jiang Qinghui, the then Chairman of the Board, was unable to attend the annual general meeting of the Company held on 22 May 2025 (the “**2025 AGM**”) due to his other work commitments. However, Mr. Kwok Kim Hung Eddie, the then Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee, took the chair of the 2025 AGM in accordance with Bye-law 63(1) of the Bye-laws of the Company.

Chairman and Chief Executive

Code Provision C.2.1

Under Code Provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

Deviation

The Company had deviated from Code Provision C.2.1 of the CG Code since 14 October 2025 as the positions of chairlady and chief executive officer of the Company were held by the same individual. Following the appointment of Ms. Wang, Executive Director and the Chairlady of the Board, as the Chief Executive Officer of the Company on 14 October 2025, the positions of chairlady and chief executive officer of the Company were held by Ms. Wang. Ms. Wang is primarily involved in the formulation of business strategies and determination of the overall direction of the Group. She has also been chiefly responsible for the Group's operations and supervised members of the senior management. The Board believes that vesting the roles of chairlady and chief executive officer in the same person provides strong and consistent leadership, and enhances the effectiveness and efficiency in planning and implementation of business decisions and strategies. As all major decisions are made in consultation with members of the Board and relevant Board committees, and there are Independent Non-executive Directors on the Board offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board and the current arrangement would be beneficial and in the best interests of the Company and its Shareholders.

AUDIT COMMITTEE

The annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee and duly approved by the Board under the recommendation of the Audit Committee.

SCOPE OF WORK OF CONFUCIUS INTERNATIONAL CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Confucius International CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Confucius International CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Confucius International CPA Limited on the preliminary announcement.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

By Order of the Board
Winshine Science Company Limited
Wang Jingyu
Chairlady and Chief Executive Officer

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Ms. Wang Jingyu

(Chairlady and Chief Executive Officer)

Mr. Yiu Chun Kong

Independent Non-executive Directors:

Ms. Wu Yan Yee

Ms. Wong Tin Ying Jade

Mr. Wu Jiwei

Non-executive Director:

Mr. Lin Shaopeng