

# Poly Xverse Intelligent Technology Co. Ltd

## 香港萬維智能科技有限公司\*

(Incorporated in Bermuda with limited liability)

Stock Code: 209



# 2026

INTERIM REPORT

\* For identification purpose only

# Contents

|                                                                                   |    |
|-----------------------------------------------------------------------------------|----|
| Corporate Information                                                             | 3  |
| Management Discussion and Analysis                                                | 4  |
| Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income | 12 |
| Condensed Consolidated Statement of Financial Position                            | 14 |
| Condensed Consolidated Statement of Changes in Equity                             | 16 |
| Condensed Consolidated Statement of Cash Flows                                    | 17 |
| Notes to the Condensed Consolidated Interim Financial Statements                  | 18 |
| Other Information                                                                 | 39 |





## Abbreviations

In this interim report, the following abbreviations have the following meanings unless otherwise specified:

|                       |                                                                                                                                                                   |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”               | Board of Directors of the Company                                                                                                                                 |
| “Company”             | Poly Xverse Intelligent Technology Co. Ltd                                                                                                                        |
| “Director(s)”         | director(s) of the Company                                                                                                                                        |
| “Group”               | the Company and its subsidiaries                                                                                                                                  |
| “Listing Rules”       | Rules Governing the Listing of Securities on the Stock Exchange                                                                                                   |
| “Model Code”          | Model Code for Securities Transactions by Director of Listed Issuers set out in Appendix C3 to the Listing Rules                                                  |
| “PRC”                 | the People’s Republic of China, for the purpose of this report, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan |
| “SFO”                 | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)                                                                                           |
| “Share(s)”            | ordinary share(s) of HK\$0.01 each in the capital of the Company                                                                                                  |
| “Shareholders”        | shareholders of the Company                                                                                                                                       |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited                                                                                                                           |
| “HK\$” and “HK cents” | Hong Kong dollars and cents                                                                                                                                       |
| “%”                   | per cent.                                                                                                                                                         |

*The Chinese version of this interim report is a translation of the English version and is for reference only. In case of any discrepancies or inconsistencies between the English version and the Chinese version, the English version shall prevail.*



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. An Pingyan (*Chief Executive Officer*)  
Mr. Yiu Chun Kong

### Independent Non-executive Directors

Ms. Wu Yan Yee  
Ms. Wong Tin Ying Jade  
Ms. Chak Wai Nga  
Mr. Wu Jiayao

## AUDIT COMMITTEE

Ms. Wu Yan Yee (*Chairlady*)  
Ms. Wong Tin Ying Jade  
Ms. Chak Wai Nga  
Mr. Wu Jiayao

## REMUNERATION COMMITTEE

Ms. Wong Tin Ying Jade (*Chairlady*)  
Ms. Wu Yan Yee  
Ms. Chak Wai Nga  
Mr. Wu Jiayao

## NOMINATION COMMITTEE

Ms. Wong Tin Ying Jade (*Chairlady*)  
Ms. Wu Yan Yee  
Ms. Chak Wai Nga  
Mr. Wu Jiayao

## COMPANY SECRETARY

Mr. Law Hok Yu

## TRADING OF SHARES

The Stock Exchange of Hong Kong Limited  
(Stock Code: 209)

## REGISTERED OFFICE

Richmond House  
12 Par-la-Ville Road  
Hamilton HM 08  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15th Floor, Queen's Road Centre,  
No. 152 Queen's Road Central,  
Central, Hong Kong

## PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited  
The Hongkong and Shanghai Banking Corporation Limited  
China Guangfa Bank Co., Ltd Zhongshan Branch

## AUDITOR

Confucius International CPA Limited

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited  
Canon's Court, 22 Victoria Street,  
PO Box HM 1179, Hamilton HM EX  
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## WEBSITE

<http://www.poly-xverse.com>  
<http://www.tricor.com.hk/web/service/000209>

*The above information is updated to 24 September 2026, being the latest practicable date prior to the printing of this interim report.*

# Management Discussion and Analysis

## BUSINESS REVIEW

For the six months ended 30 June 2026 (“**HY2026**”), 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 HY2026, the toys business continued to operate under challenging conditions driven by factors largely beyond the Group’s control. Although the extreme tariff spikes imposed by the United States (the “**U.S.**”) on Chinese imports had moderated following subsequent trade truces, Chinese-origin toys continued to face elevated tariff rates compared with the pre-trade-war regime. This, together with cautious ordering behaviour from U.S. customers and ongoing cost pressures, constrained the operating environment. The Group recorded an 8.2% increase in revenue to HK\$160.5 million (30 June 2025: HK\$148.4 million) and a loss attributable to owners of the Company of HK\$44.2 million (30 June 2025: HK\$38.3 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. According to China Customs data in 2025, the total toys exports in the PRC recorded a year-on-year decline for three consecutive years. However, in the first half of 2026, the Chinese Customs data indicated the export volume had been stabilised and gradually picking up as a result of the subsequent trade truces in relation to the U.S.-China trade war. Thus, the Group’s sales to the U.S. had slightly increased as compared to the six months ended 30 June 2025 (“**HY2025**”).

Another significant factor contributing to the loss for the period was the ongoing cost pressure arising in the industry, including the increase in minimum wage levels across various regions in China and escalating social insurance costs. In addition, geopolitical tensions in the Middle East during the first half of 2026 drove sharp volatility and upward pressure on international crude oil prices, which in turn significantly increased the cost of plastics, one of the Group’s major raw materials in the toy manufacturing process. During HY2026, the Renminbi appreciated against the U.S. dollar by approximately 4%, resulting in an exchange loss on translation of HK\$11.9 million (30 June 2025: HK\$1.5 million) for the Group. The cumulative effect of the above has placed additional pressure on the Group’s operating margins and has diminished its ability to reinvest in the business or pursue strategic growth initiatives.

For HY2026, the Group recorded revenue of HK\$160.5 million, representing an increase of 8.2% as compared to the revenue of HK\$148.4 million for HY2025. The increase in revenue was mainly driven by the rise in sales in the Toys Division as a result of the subsequent trade truces in relation to the U.S.-China trade war. The Group recorded a gross loss for the period of HK\$9.9 million, representing an improvement in gross loss of HK\$0.1 million from HK\$10.0 million recorded in HY2025. The Group remained in gross loss position, mainly because the existing revenue level of the Toys Division was insufficient to cover its fixed costs under the above-mentioned constraints, i.e. the increase in staff costs and cost of plastics.



## Management Discussion and Analysis

During HY2026, after the implementation of various cost-savings measures and the repayment of other borrowings upon the completion of Rights Issue, the selling and distribution costs and finance costs had decreased by 22.9% to HK\$2.7 million (30 June 2025: HK\$3.5 million) and 35.2% to HK\$4.6 million (30 June 2025: HK\$7.1 million) respectively. Also, the administrative expenses of the Group had maintained at a similar level of HK\$15.8 million as compared to HY2025 (30 June 2025: HK\$15.5 million). In the second half of 2026, the Group will continue to implement various cost-saving initiatives to control both operating and administrative expenses with the aim of improving operating cash flows and enabling the Group to better finance its working capital requirements.

For HY2026, the net loss of the Group amounted to HK\$44.2 million as compared with the net loss of HK\$38.3 million in HY2025. The increase in loss for HY2026 was mainly attributable to the exchange loss of HK\$11.9 million (30 June 2025: HK\$1.5 million) incurred by the Group owing to the appreciation of Renminbi against the U.S. dollar during the period. Thus, the Group's financial performance had been improved without the above factor beyond the Group's control.

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

### Toys Division

For HY2026, the revenue of the Toys Division comprised of sales to overseas customers of HK\$142.4 million (30 June 2025: HK\$138.8 million) and sales to domestic customers in China of HK\$18.1 million (30 June 2025: HK\$9.6 million). The aggregate revenue of the Toys Division increased by 8.2% from HK\$148.4 million to HK\$160.5 million during the period. A gross loss of HK\$9.9 million was recorded as compared to HK\$10.0 million in HY2025. The increase in revenue and improvement in gross loss of the Toys Division were mainly due to the combined effect of (i) subsequent trade truces in relation to the U.S.-China trade war; (ii) the rise in minimum wage levels across various regions in China; and (iii) the increase in cost of plastics, one of the Group's major raw materials in the toy manufacturing process, as a result of the surge in international crude oil prices in HY2026 driven by the geopolitical tensions in the Middle East. During HY2026, the Renminbi appreciated against the U.S. dollar by approximately 4%, resulting in an exchange loss on translation of HK\$11.9 million (30 June 2025: HK\$1.5 million) for the Group. As a result, the Toys Division recorded a segment loss before tax of HK\$39.9 million in HY2026, as compared to the segment loss of HK\$37.8 million in HY2025. Thus, excluding the exchange loss on translation, the Toys Division's segment results had been improved after the implementation of various cost-savings measures.

### Agricultural Products Division

For HY2026, no revenue was generated in Agricultural Products Division (30 June 2025: nil). The Agricultural Products Division recorded a minimal segment loss before tax of HK\$5,000 (30 June 2025: HK\$213,000).

# Management Discussion and Analysis

## Overall Results

For HY2026, the Group recorded a loss attributable to owners of the Company of HK\$44.2 million (30 June 2025: HK\$38.3 million) and the basic loss per share was HK\$0.32 (30 June 2025: HK\$1.84, restated upon the Rights Issue being completed on 16 January 2026 and the Share Consolidation being effective on 24 July 2026). The Group as a whole recorded a net loss of HK\$44.2 million (30 June 2025: HK\$38.3 million), with a loss of HK\$1,000 (30 June 2025: HK\$47,000) being shared by the non-controlling interest. The total comprehensive expense attributable to owners of the Company was HK\$35.0 million (30 June 2025: HK\$36.1 million) after recognising the other comprehensive income of HK\$9.2 million (30 June 2025: HK\$2.1 million), which mainly represented the sum of the deferred tax credit arising from revaluation of properties, the gain on revaluation of properties and the exchange differences arising on translation of foreign operations.

## FINANCIAL REVIEW

### Liquidity, Financial Resources and Capital Structure

As at 30 June 2026, the Group had net current liabilities of HK\$158.4 million (31 December 2025: HK\$296.7 million) comprising the sum of bank balances and cash and pledged bank deposits of HK\$61.1 million (31 December 2025: HK\$78.0 million). The Group's current ratio, calculated as current assets divided by current liabilities of HK\$404.1 million (31 December 2025: HK\$537.5 million), was at the ratio of 0.61 time (31 December 2025: 0.45 time).

As at 30 June 2026, the Group's total borrowings amounted to HK\$196.0 million (31 December 2025: HK\$257.2 million) which comprised bank loans of HK\$166.0 million (31 December 2025: HK\$150.2 million) and unsecured borrowings of HK\$30.0 million (31 December 2025: HK\$38.0 million). The Group's total borrowings decreased as subsequent to the completion of the Rights Issue in January 2026, the Group applied the proceeds to fully repay the outstanding corporate bonds (31 December 2025: HK\$45.0 million), secured term loans (31 December 2025: HK\$22.0 million) and amount due to ultimate holding company (31 December 2025: HK\$2.0 million).

As at 30 June 2026, the capital deficiencies attributable to owners of the Company decreased by 65.1% to HK\$75.9 million (31 December 2025: HK\$217.7 million), primarily as a result of the completion of Rights Issue in January 2026 and partially off set by the operating loss incurred by the Group for the period. 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 30 June 2026 was 131.7% (31 December 2025: 188.4%).

# Management Discussion and Analysis

## Fund Raising Activities and Use of Proceeds

During the period and up to the date of this report, 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 report                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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\$0.1million for payment of professional fees; and<br><br>(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<br><br>(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;<br><br>(ii) approximately 10% utilised for settlement of outstanding audit fees;<br><br>(iii) approximately 15% utilised for settlement of professional fees; and<br><br>(iv) approximately 25% utilised for working capital and general corporate purposes, including staff salaries and administrative expenses. |

# Management Discussion and Analysis

| 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 report                                                                                                                                                                                                                                                           |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 October 2025               | <p>Rights issue on the basis of seven (7) rights shares (the <b>"Rights Share(s)"</b>) 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 <b>"Rights Issue"</b>).</p> <p>The closing price of the shares of the Company on 14 October 2025 being the date on which the terms of the rights issue were fixed, was HK\$0.183 per existing share.</p> | 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 4% utilised for the general working capital of the Group including staff salaries and professional fees; and</p> <p>(iii) approximately 29% 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 U.S. 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.



# Management Discussion and Analysis

## Charges on Assets

As at 30 June 2026, the Group's certain leasehold buildings and leasehold lands under right-of-use assets in the PRC with aggregate carrying amount of HK\$89.8 million (31 December 2025: HK\$89.9 million) and bank deposits of HK\$1.4 million (31 December 2025: HK\$30.1 million) were pledged to secure general banking facilities granted to the Group and bills payable of the Group.

## Contingent Liabilities

As at 30 June 2026, the Group had no significant contingent liability (31 December 2025: 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 HY2026, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies (30 June 2025: nil).

## Significant Investment

For HY2026, the Group did not have any significant investment (30 June 2025: nil).

## Employee and Remuneration Policies

As at 30 June 2026, the Group employed 2,319 (30 June 2025: 2,348) employees, including directors, in Hong Kong and the PRC. The Group's total staff costs (inclusive of directors' remuneration) amounted to HK\$78.2 million (30 June 2025: HK\$74.5 million), representing an increase of 5.0%. This was mainly attributable to the increase in minimum wage levels across various regions in China and escalating social insurance costs since 2025. 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.

## 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 **"Change of Company Name"**).

The Certificate of Change of Name and the Certificate of Secondary Name was issued by the Registrar of Companies in Bermuda on 9 April 2026 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry in Hong Kong on 4 May 2026 confirming the Change of Company Name has become effective. Details of the Change of Company Name were set out in the circular of the Company dated 12 March 2026 and the announcements of the Company dated 30 January 2026, 31 March 2026 and 7 May 2026.

# Management Discussion and Analysis

## SUBSEQUENT EVENTS

### PLACING OF SHARES BY SUBSTANTIAL SHAREHOLDER OF THE COMPANY

On 16 July 2026, Peak Access International Limited ("**Peak Access**"), the former substantial shareholder of the Company and the entire issued share capital of which is held by Ms. Wang Jingyu ("**Ms. Wang**"), the former Executive Director, the former Chairlady of the Board and the former Chief Executive Officer of the Company, entered into a private placing letter (the "**Private Placing Letter**") with CS Wealth Securities Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to conduct Type 1 (dealing in securities) regulated activity (the "**Placing Agent**").

Pursuant to the Private Placing Letter, Peak Access has appointed the Placing Agent as its exclusive agent and the Placing Agent has agreed to act as the agent for Peak Access, to procure investor(s) who and their respective ultimate beneficial owner(s) are, independent of and not connected nor acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with the Company and its connected persons (the "**Placees**"), on a best efforts basis to acquire up to 299,143,304 shares of the Company (the "**Shares**") (representing approximately 20.14% of the issued share capital of the Company) and all Shares held by Peak Access (the "**Placing Share(s)**") as at 16 July 2026, at a price of no less than HK\$0.33 per Placing Share (the "**Private Placing**").

Following the completion of the Private Placing on 17 July 2026, all the Placing Shares had been successfully placed to not less than six Placees at the price of HK\$0.33 per Placing Share and Peak Access did not hold any Shares and accordingly ceased to be a substantial shareholder of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of the Placees and their respective ultimate beneficial owner(s) is a third party independent of and not connected nor acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with the Company and its connected persons; and (ii) none of the Placees has become a substantial shareholder of the Company upon completion of the Private Placing.

For details, please refer to the announcements of the Company dated 16 July 2026 and 17 July 2026.

### SHARE CONSOLIDATION

On 2 June 2026, the Company proposed to implement the share consolidation (the "**Share Consolidation**") on the basis that every ten (10) then issued and unissued shares of the Company of par value of HK\$0.01 each in the share capital of the Company (the "**Existing Shares**") be consolidated into one (1) consolidated share of the Company of par value of HK\$0.1 each (the "**Consolidated Shares**"). The Share Consolidation was approved by the shareholders of the Company at the special general meeting of the Company held on 22 July 2026, and came into effect on 24 July 2026. Following the Share Consolidation becoming effective, the board lot size has been changed from 10,000 Existing Shares to 1,000 Consolidated Shares.

For details, please refer to the circular of the Company dated 16 June 2026 and the announcements of the Company dated 2 June 2026 and 22 July 2026.



# Management Discussion and Analysis

## PROSPECTS

During HY2026, in order to mitigate the impact of U.S.-China trade war, the Group focused on expanding its customer base within the domestic market in China, particularly in designer toys and blind boxes segments, which the Group had doubled its sales from domestic market as compared to HY2025. 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 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.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

|                                                                                 | Notes | Six months ended 30 June        |                                 |
|---------------------------------------------------------------------------------|-------|---------------------------------|---------------------------------|
|                                                                                 |       | 2026<br>HK\$'000<br>(Unaudited) | 2025<br>HK\$'000<br>(Unaudited) |
| <b>Revenue</b>                                                                  | 4     | <b>160,509</b>                  | 148,376                         |
| Cost of sales                                                                   |       | <b>(170,401)</b>                | (158,411)                       |
| <b>Gross loss</b>                                                               |       | <b>(9,892)</b>                  | (10,035)                        |
| Other income, gains and losses, net                                             | 5     | <b>(10,958)</b>                 | (957)                           |
| Reversal of expected credit loss for trade receivables                          | 8     | <b>487</b>                      | –                               |
| Reversal of expected credit loss for other receivables                          | 8     | <b>195</b>                      | –                               |
| Selling and distribution costs                                                  |       | <b>(2,665)</b>                  | (3,458)                         |
| Administrative expenses                                                         |       | <b>(15,751)</b>                 | (15,458)                        |
| Other operating expenses                                                        |       | <b>(1,034)</b>                  | (1,364)                         |
| Finance costs                                                                   | 6     | <b>(4,648)</b>                  | (7,077)                         |
| <b>Loss before tax</b>                                                          |       | <b>(44,266)</b>                 | (38,349)                        |
| Income tax credit                                                               | 7     | <b>91</b>                       | –                               |
| <b>Loss for the period</b>                                                      | 8     | <b>(44,175)</b>                 | (38,349)                        |
| <b>Other comprehensive income for the period, net of tax</b>                    |       |                                 |                                 |
| <i>Items that will not be reclassified to profit or loss:</i>                   |       |                                 |                                 |
| Gain on revaluation of properties                                               |       | <b>2,290</b>                    | –                               |
| Deferred tax credit arising from revaluation of properties                      |       | <b>1,370</b>                    | –                               |
|                                                                                 |       | <b>3,660</b>                    | –                               |
| <i>Items that may be/have been reclassified subsequently to profit or loss:</i> |       |                                 |                                 |
| Exchange differences arising on translation of foreign operations               |       | <b>5,554</b>                    | 2,079                           |
|                                                                                 |       | <b>5,554</b>                    | 2,079                           |
| Other comprehensive income for the period, net of tax                           |       | <b>9,214</b>                    | 2,079                           |
| <b>Total comprehensive expense for the period</b>                               |       | <b>(34,961)</b>                 | (36,270)                        |

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

|                                                                    | Note | Six months ended 30 June        |                                 |
|--------------------------------------------------------------------|------|---------------------------------|---------------------------------|
|                                                                    |      | 2026<br>HK\$'000<br>(Unaudited) | 2025<br>HK\$'000<br>(Unaudited) |
| <b>Loss for the period attributable to:</b>                        |      |                                 |                                 |
| Owners of the Company                                              |      | (44,174)                        | (38,302)                        |
| Non-controlling interest                                           |      | (1)                             | (47)                            |
|                                                                    |      | <u>(44,175)</u>                 | <u>(38,349)</u>                 |
| <b>Total comprehensive expense for the period attributable to:</b> |      |                                 |                                 |
| Owners of the Company                                              |      | (34,975)                        | (36,057)                        |
| Non-controlling interest                                           |      | 14                              | (213)                           |
|                                                                    |      | <u>(34,961)</u>                 | <u>(36,270)</u>                 |
| <b>Loss per share</b>                                              | 10   |                                 | (Restated)                      |
| – Basic and diluted (HK\$)                                         |      | <u>(0.32)</u>                   | <u>(1.84)</u>                   |

# Condensed Consolidated Statement of Financial Position

At 30 June 2026

|                                              | Notes | At<br>30 June<br>2026<br>HK\$'000<br>(Unaudited) | At<br>31 December<br>2025<br>HK\$'000<br>(Audited) |
|----------------------------------------------|-------|--------------------------------------------------|----------------------------------------------------|
| <b>Non-current assets</b>                    |       |                                                  |                                                    |
| Property, plant and equipment                | 11    | 87,845                                           | 87,037                                             |
| Right-of-use assets                          | 11    | 6,435                                            | 2,869                                              |
| Rental deposit                               |       | 749                                              | 368                                                |
|                                              |       | <b>95,029</b>                                    | <b>90,274</b>                                      |
| <b>Current assets</b>                        |       |                                                  |                                                    |
| Inventories                                  |       | 101,993                                          | 72,290                                             |
| Trade receivables                            | 12    | 70,608                                           | 81,456                                             |
| Prepayments, deposits and other receivables  |       | 11,937                                           | 9,121                                              |
| Pledged bank deposits                        |       | 1,379                                            | 30,108                                             |
| Bank balances and cash                       |       | 59,758                                           | 47,850                                             |
|                                              |       | <b>245,675</b>                                   | <b>240,825</b>                                     |
| <b>Current liabilities</b>                   |       |                                                  |                                                    |
| Trade and bills payables                     | 13    | 177,196                                          | 234,971                                            |
| Other payables and accruals                  |       | 24,892                                           | 39,573                                             |
| Contract liabilities                         |       | 761                                              | 1,406                                              |
| Borrowings                                   | 14    | 196,035                                          | 255,192                                            |
| Lease liabilities                            |       | 2,253                                            | 1,396                                              |
| Tax payables                                 |       | 2,941                                            | 2,941                                              |
| Amount due to ultimate holding company       |       | –                                                | 2,000                                              |
|                                              |       | <b>404,078</b>                                   | <b>537,479</b>                                     |
| <b>Net current liabilities</b>               |       | <b>(158,403)</b>                                 | <b>(296,654)</b>                                   |
| <b>Total assets less current liabilities</b> |       | <b>(63,374)</b>                                  | <b>(206,380)</b>                                   |
| <b>Non-current liabilities</b>               |       |                                                  |                                                    |
| Lease liabilities                            |       | 2,589                                            | 586                                                |
| Deferred tax liabilities                     |       | 12,185                                           | 12,965                                             |
|                                              |       | <b>14,774</b>                                    | <b>13,551</b>                                      |
| <b>Net liabilities</b>                       |       | <b>(78,148)</b>                                  | <b>(219,931)</b>                                   |



# Condensed Consolidated Statement of Financial Position

At 30 June 2026

|                                                                   | Note | At<br>30 June<br>2026<br>HK\$'000<br>(Unaudited) | At<br>31 December<br>2025<br>HK\$'000<br>(Audited) |
|-------------------------------------------------------------------|------|--------------------------------------------------|----------------------------------------------------|
| <b>Capital and reserves</b>                                       |      |                                                  |                                                    |
| Share capital                                                     | 15   | 14,857                                           | 1,857                                              |
| Deficit                                                           |      | (90,761)                                         | (219,530)                                          |
| <b>Capital deficiencies attributable to owners of the Company</b> |      | <b>(75,904)</b>                                  | (217,673)                                          |
| <b>Non-controlling interest</b>                                   |      | <b>(2,244)</b>                                   | (2,258)                                            |
| <b>Capital deficiencies</b>                                       |      | <b>(78,148)</b>                                  | (219,931)                                          |

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

|                                                                     | Attributable to owners of the Company |                           |                                       |                                              |                                          |                                | Non-controlling interest<br>HK\$'000 | Capital deficiencies<br>HK\$'000 |
|---------------------------------------------------------------------|---------------------------------------|---------------------------|---------------------------------------|----------------------------------------------|------------------------------------------|--------------------------------|--------------------------------------|----------------------------------|
|                                                                     | Issued share capital<br>HK\$'000      | Share premium<br>HK\$'000 | Asset revaluation reserve<br>HK\$'000 | Statutory reserve fund<br>HK\$'000<br>(Note) | Exchange fluctuation reserve<br>HK\$'000 | Accumulated losses<br>HK\$'000 | Sub-total<br>HK\$'000                |                                  |
| <b>At 1 January 2025 (Audited)</b>                                  | 1,454                                 | 42,004                    | 57,596                                | 14,949                                       | 25,709                                   | (280,750)                      | (139,038)                            | (140,487)                        |
| Loss for the period                                                 | -                                     | -                         | -                                     | -                                            | -                                        | (38,302)                       | (38,302)                             | (38,349)                         |
| Other comprehensive income (expense) for the period                 | -                                     | -                         | -                                     | -                                            | 2,245                                    | -                              | 2,245                                | 2,079                            |
| <b>Total other comprehensive income (expense) for the period</b>    | -                                     | -                         | -                                     | -                                            | 2,245                                    | (38,302)                       | (36,057)                             | (36,270)                         |
| Appropriation to statutory reserve fund                             | -                                     | -                         | -                                     | (312)                                        | -                                        | 312                            | -                                    | -                                |
| Issue of new shares pursuant to subscription agreement (note 15(a)) | 94                                    | 1,222                     | -                                     | -                                            | -                                        | -                              | 1,316                                | 1,316                            |
| <b>At 30 June 2025 (Unaudited)</b>                                  | 1,548                                 | 43,226                    | 57,596                                | 14,637                                       | 27,954                                   | (318,740)                      | (173,779)                            | (175,441)                        |
| <b>At 1 January 2026 (Audited)</b>                                  | 1,857                                 | 53,181                    | 54,260                                | 14,949                                       | 28,868                                   | (370,788)                      | (217,673)                            | (219,931)                        |
| Loss for the period                                                 | -                                     | -                         | -                                     | -                                            | -                                        | (44,174)                       | (44,174)                             | (44,175)                         |
| Other comprehensive income for the period                           | -                                     | -                         | 3,660                                 | -                                            | 5,539                                    | -                              | 9,199                                | 9,214                            |
| <b>Total other comprehensive income (expense) for the period</b>    | -                                     | -                         | 3,660                                 | -                                            | 5,539                                    | (44,174)                       | (34,975)                             | (34,961)                         |
| Revaluation reserve realised                                        | -                                     | -                         | (1,433)                               | -                                            | -                                        | 1,433                          | -                                    | -                                |
| Issue of new shares pursuant to Rights Issue (note 15(c))           | 13,000                                | 163,744                   | -                                     | -                                            | -                                        | -                              | 176,744                              | 176,744                          |
| <b>At 30 June 2026 (Unaudited)</b>                                  | 14,857                                | 216,925                   | 56,487                                | 14,949                                       | 34,407                                   | (413,529)                      | (75,904)                             | (78,148)                         |

*Note:*

The Group's subsidiaries in the PRC are required to allocate at least 10% of net profit according to their PRC audited financial statements to a statutory reserve fund until the balance of such reserve has reached 50% of the subsidiaries' registered capital. Any further appropriation is optional. The statutory reserve fund shall only be used for making up losses or for capitalisation into share capital, provided that the remaining balance is not less than 20% of the registered capital of the entity after such capitalisation.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

|                                                                      | Note | Six months ended 30 June        |                                 |
|----------------------------------------------------------------------|------|---------------------------------|---------------------------------|
|                                                                      |      | 2026<br>HK\$'000<br>(Unaudited) | 2025<br>HK\$'000<br>(Unaudited) |
| <b>Net cash used in operating activities</b>                         |      | <b>(128,831)</b>                | <b>(26,577)</b>                 |
| <b>Cash flows from investing activities</b>                          |      |                                 |                                 |
| Purchase of property, plant and equipment                            | 11   | (774)                           | (940)                           |
| Interest received                                                    |      | 427                             | 58                              |
| Withdrawal of pledged bank deposits                                  |      | 28,729                          | –                               |
| <b>Net cash generated from (used in) investing activities</b>        |      | <b>28,382</b>                   | <b>(882)</b>                    |
| <b>Cash flows from financing activities</b>                          |      |                                 |                                 |
| Proceeds from borrowings                                             |      | 178,234                         | 161,318                         |
| Repayment of borrowings                                              |      | (241,536)                       | (151,820)                       |
| Decrease in amount due to ultimate holding company                   |      | (2,000)                         | –                               |
| Repayment of lease liabilities                                       |      | (828)                           | (706)                           |
| Net proceeds from issue of shares pursuant to subscription agreement |      | –                               | 1,316                           |
| Net proceeds from issue of shares pursuant to Rights Issue           |      | 176,744                         | –                               |
| Interest paid                                                        |      | (4,574)                         | (6,995)                         |
| <b>Net cash generated from financing activities</b>                  |      | <b>106,040</b>                  | <b>3,113</b>                    |
| <b>Net increase (decrease) in cash and cash equivalents</b>          |      | <b>5,591</b>                    | <b>(24,346)</b>                 |
| <b>Cash and cash equivalents at the beginning of the period</b>      |      | <b>47,850</b>                   | <b>55,258</b>                   |
| <b>Effect of foreign exchange rate changes</b>                       |      | <b>6,317</b>                    | <b>3,215</b>                    |
| <b>Cash and cash equivalents at the end of the period</b>            |      | <b>59,758</b>                   | <b>34,127</b>                   |
| <b>Analysis of the balance of cash and cash equivalents</b>          |      |                                 |                                 |
| Bank balances and cash                                               |      | 59,758                          | 34,127                          |

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 1. CORPORATE INFORMATION

Poly Xverse Intelligent Technology Co. Ltd (formerly known as Winshine Science Company Limited) is a limited liability company incorporated in Bermuda. The address of the registered office of the Company is located at Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda and its principal place of business in Hong Kong is located at 15th Floor, Queen's Road Centre, No. 152 Queen's Road Central, Central, 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 condensed 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The condensed consolidated financial statements do not include all the information required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

### The Group's ability to continue as a going concern

The Group incurred a loss attributable to owners of the Company of HK\$44,174,000 for the six months ended 30 June 2026. As at the same date, the Group had net current liabilities and net liabilities of HK\$158,403,000 and HK\$78,148,000 respectively. The Group's bank balances and cash amounted to HK\$59,758,000 in contrast to its borrowings of HK\$196,035,000, 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.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 2. BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### The Group's ability to continue as a going concern (Continued)

The condensed 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 30 June 2026 and subsequently thereto up to the date when the condensed 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 and will be implementing various plans and 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. the Group has banking facilities of Renminbi (**"RMB"**) 260,000,000 (equivalent to HK\$299,332,000), including exposure limit and non-exposure limit of RMB160,000,000 and RMB100,000,000 respectively, of which only exposure limit of RMB147,012,000 (equivalent to HK\$169,252,000) was utilised as of 30 June 2026, secured by the Group's leasehold buildings and leasehold lands under right-of-use assets. The banking facilities will expire on 20 April 2027. 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;
- iv. active cost-saving measures to control operating costs and administrative costs through various means have been implemented to improve operating cash flows at a level sufficient to finance the working capital requirements of the Group; and
- v. considering other financing arrangements, if necessary, with a view to increasing the Group's equity and liquidity.

On the basis of the above considerations and taking into account the above measures, the directors of the Company are of the opinion that, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from the date of issuance of these condensed consolidated financial statements and accordingly, these condensed consolidated financial statements have been prepared on a going concern basis.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 3. CHANGES IN HKFRS ACCOUNTING STANDARDS

### Application of amendments to HKFRS Accounting Standards

In the current period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are mandatorily effective for the Group's annual period beginning on or after 1 January 2026 for the preparation of the unaudited condensed consolidated financial statements:

|                                          |                                                                           |
|------------------------------------------|---------------------------------------------------------------------------|
| Amendments to HKFRS 9 and HKFRS 7        | Amendments to the Classification and Measurement of Financial Instruments |
| Amendments to HKFRS 9 and HKFRS 7        | Contracts Referencing Nature-dependent Electricity                        |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11             |

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the financial positions and performance of the Group for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 4. REVENUE AND OPERATING SEGMENTS

Revenue represents revenue arising on sale of toy products and sale of agricultural products for the period. 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.

|                                            | Six months ended 30 June        |                                 |
|--------------------------------------------|---------------------------------|---------------------------------|
|                                            | 2026<br>HK\$'000<br>(Unaudited) | 2025<br>HK\$'000<br>(Unaudited) |
| Revenue from sale of toy products          | 160,509                         | 148,376                         |
| Revenue from sale of agricultural products | –                               | –                               |
|                                            | <b>160,509</b>                  | <b>148,376</b>                  |



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 4. REVENUE AND OPERATING SEGMENTS (Continued)

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.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

1. Toys: this segment derives its revenue from manufacturing and sales 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 certain 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.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 4. REVENUE AND OPERATING SEGMENTS (Continued)

### Segment revenue, results, assets and liabilities

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

#### For the six months ended 30 June 2026 (Unaudited)

|                                           | Toys<br>HK\$'000 | Agricultural<br>Products<br>HK\$'000 | Total<br>HK\$'000 |
|-------------------------------------------|------------------|--------------------------------------|-------------------|
| <b>Reportable segment revenue</b>         |                  |                                      |                   |
| Revenue from external customers           | 160,509          | –                                    | 160,509           |
| <b>Reportable segment loss before tax</b> | (39,850)         | (5)                                  | (39,855)          |
| Unallocated corporate income              |                  |                                      | 422               |
| Unallocated corporate expenses            |                  |                                      | (4,833)           |
| <b>Loss before tax</b>                    |                  |                                      | (44,266)          |

|                                                                                                        | Toys<br>HK\$'000 | Agricultural<br>Products<br>HK\$'000 | Unallocated<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------------------------------------------------------------------------------|------------------|--------------------------------------|-------------------------|-------------------|
| <b>Other segment information (included in the measure of segment profit or loss or segment assets)</b> |                  |                                      |                         |                   |
| Depreciation of property, plant and equipment                                                          | (2,185)          | (4)                                  | (1)                     | (2,190)           |
| Depreciation of right-of-use assets                                                                    | (72)             | –                                    | –                       | (72)              |
| Reversal of expected credit loss for trade receivables                                                 | 487              | –                                    | –                       | 487               |
| Reversal of expected credit loss for other receivables                                                 | 195              | –                                    | –                       | 195               |
| Reversal of write-down of inventories, net                                                             | 1,454            | –                                    | –                       | 1,454             |
| Bank interest income                                                                                   | 81               | –                                    | 346                     | 427               |
| Interest expense                                                                                       | (4,441)          | –                                    | (207)                   | (4,648)           |
| Addition of right-of-use assets                                                                        | –                | –                                    | (3,638)                 | (3,638)           |
| Purchase of property, plant and equipment                                                              | (774)            | –                                    | –                       | (774)             |

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 4. REVENUE AND OPERATING SEGMENTS (Continued)

### Segment revenue, results, assets and liabilities (Continued)

At 30 June 2026 (Unaudited)

|                                       | Toys<br>HK\$'000 | Agricultural<br>Products<br>HK\$'000 | Total<br>HK\$'000 |
|---------------------------------------|------------------|--------------------------------------|-------------------|
| <b>Reportable segment assets</b>      | <b>279,205</b>   | <b>53</b>                            | <b>279,258</b>    |
| Unallocated corporate assets          |                  |                                      | <b>61,446</b>     |
| Total assets                          |                  |                                      | <b>340,704</b>    |
| <b>Reportable segment liabilities</b> | <b>(412,061)</b> | <b>(708)</b>                         | <b>(412,769)</b>  |
| Unallocated corporate liabilities     |                  |                                      | <b>(6,083)</b>    |
| Total liabilities                     |                  |                                      | <b>(418,852)</b>  |

For the six months ended 30 June 2025 (Unaudited)

|                                           | Toys<br>HK\$'000 | Agricultural<br>Products<br>HK\$'000 | Total<br>HK\$'000 |
|-------------------------------------------|------------------|--------------------------------------|-------------------|
| <b>Reportable segment revenue</b>         |                  |                                      |                   |
| Revenue from external customers           | 148,376          | –                                    | 148,376           |
| <b>Reportable segment loss before tax</b> | <b>(37,819)</b>  | <b>(213)</b>                         | <b>(38,032)</b>   |
| Unallocated corporate income              |                  |                                      | 570               |
| Unallocated corporate expenses            |                  |                                      | (887)             |
| <b>Loss before tax</b>                    |                  |                                      | <b>(38,349)</b>   |

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 4. REVENUE AND OPERATING SEGMENTS (Continued)

### Segment revenue, results, assets and liabilities (Continued)

For the six months ended 30 June 2025 (Unaudited) (Continued)

|                                                                                                        | Toys<br>HK\$'000 | Agricultural<br>Products<br>HK\$'000 | Unallocated<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------------------------------------------------------------------------------|------------------|--------------------------------------|-------------------------|-------------------|
| <b>Other segment information (included in the measure of segment profit or loss or segment assets)</b> |                  |                                      |                         |                   |
| Depreciation of property, plant and equipment                                                          | (15)             | (213)                                | (38)                    | (266)             |
| Depreciation of right-of-use assets                                                                    | –                | –                                    | (164)                   | (164)             |
| Write-down of inventories, net                                                                         | (161)            | –                                    | –                       | (161)             |
| Bank interest income                                                                                   | 58               | –                                    | –                       | 58                |
| Interest expense                                                                                       | (5,279)          | –                                    | (1,798)                 | (7,077)           |
| Purchase of property, plant and equipment                                                              | (940)            | –                                    | –                       | (940)             |



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 4. REVENUE AND OPERATING SEGMENTS (Continued)

### Segment revenue, results, assets and liabilities (Continued)

At 31 December 2025 (Audited)

|                                       | Toys<br>HK\$'000 | Agricultural<br>Products<br>HK\$'000 | Total<br>HK\$'000 |
|---------------------------------------|------------------|--------------------------------------|-------------------|
| <b>Reportable segment assets</b>      | <u>326,329</u>   | <u>58</u>                            | 326,387           |
| Unallocated corporate assets          |                  |                                      | <u>4,712</u>      |
| Total assets                          |                  |                                      | <u>331,099</u>    |
| <b>Reportable segment liabilities</b> | <u>(487,184)</u> | <u>(629)</u>                         | (487,813)         |
| Unallocated corporate liabilities     |                  |                                      | <u>(63,217)</u>   |
| Total liabilities                     |                  |                                      | <u>(551,030)</u>  |

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 5. OTHER INCOME, GAINS AND LOSSES, NET

|                           | Six months ended 30 June        |                                 |
|---------------------------|---------------------------------|---------------------------------|
|                           | 2026<br>HK\$'000<br>(Unaudited) | 2025<br>HK\$'000<br>(Unaudited) |
| Bank interest income      | 427                             | 58                              |
| Net foreign exchange loss | (11,896)                        | (1,528)                         |
| Mould income              | 246                             | 400                             |
| Rental income             | 17                              | 31                              |
| Sundry income (note)      | 248                             | 82                              |
|                           | <b>(10,958)</b>                 | <b>(957)</b>                    |

Note:

Sundry income included the imputed interest income from rental deposit of HK\$20,000 for the six months ended 30 June 2026 (30 June 2025: HK\$18,000).

## 6. FINANCE COSTS

|                                       | Six months ended 30 June        |                                 |
|---------------------------------------|---------------------------------|---------------------------------|
|                                       | 2026<br>HK\$'000<br>(Unaudited) | 2025<br>HK\$'000<br>(Unaudited) |
| Interest on bank loans                | 3,222                           | 2,882                           |
| Interest on corporate bonds           | 174                             | 1,519                           |
| Interest on revolving loan            | 13                              | 195                             |
| Interest on short-term loans          | 1,165                           | 2,201                           |
| Interest on lease liabilities         | 74                              | 82                              |
| Imputed interest on convertible bonds | –                               | 198                             |
|                                       | <b>4,648</b>                    | <b>7,077</b>                    |



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 7. INCOME TAX CREDIT

|                           | Six months ended 30 June        |                                 |
|---------------------------|---------------------------------|---------------------------------|
|                           | 2026<br>HK\$'000<br>(Unaudited) | 2025<br>HK\$'000<br>(Unaudited) |
| PRC Enterprise Income Tax |                                 |                                 |
| Current period            | –                               | –                               |
| Deferred tax credit       | 91                              | –                               |
| Income tax credit         | 91                              | –                               |

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 six months ended 30 June 2026 (30 June 2025: 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 periods.

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

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

|                                                                          | Six months ended 30 June |               |
|--------------------------------------------------------------------------|--------------------------|---------------|
|                                                                          | 2026                     | 2025          |
|                                                                          | HK\$'000                 | HK\$'000      |
|                                                                          | (Unaudited)              | (Unaudited)   |
| Employee benefit expense (including directors' remuneration):            |                          |               |
| – Wages and salaries                                                     | 73,031                   | 69,379        |
| – Other employee benefits                                                | 82                       | 141           |
| – Contributions to defined contribution retirement plans                 | 5,070                    | 5,004         |
|                                                                          | <b>78,183</b>            | <b>74,524</b> |
| Cost of inventories recognised as an expense (included in cost of sales) | 171,855                  | 158,250       |
| Depreciation of property, plant and equipment                            | 2,190                    | 266           |
| Depreciation of right-of-use assets                                      | 72                       | 164           |
| (Reversal of) write down of inventories, net (included in cost of sales) | (1,454)                  | 161           |
| Reversal of expected credit loss for trade receivables                   | 487                      | –             |
| Reversal of expected credit loss for other receivables                   | 195                      | –             |
| Short-term lease charges in respect of leasehold buildings               | 144                      | 1,053         |

## 9. DIVIDENDS

The Directors do not recommend the payment or declaration of any dividend for the six months ended 30 June 2026 (30 June 2025: nil).



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 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:

|                                                                                                | Six months ended 30 June |             |
|------------------------------------------------------------------------------------------------|--------------------------|-------------|
|                                                                                                | 2026                     | 2025        |
|                                                                                                | HK\$'000                 | HK\$'000    |
|                                                                                                | (Unaudited)              | (Unaudited) |
| <hr/>                                                                                          |                          |             |
| <b>Loss</b>                                                                                    |                          |             |
| Loss attributable to owners of the Company for the purpose of basic and diluted loss per share | (44,174)                 | (38,302)    |
|                                                                                                | <hr/>                    | <hr/>       |
|                                                                                                | Six months ended 30 June |             |
|                                                                                                | 2026                     | 2025        |
|                                                                                                | '000                     | '000        |
|                                                                                                |                          | (Restated)  |
| <hr/>                                                                                          |                          |             |
| <b>Number of shares</b>                                                                        |                          |             |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | 138,342                  | 20,793      |
|                                                                                                | <hr/>                    | <hr/>       |

The weighted average number of ordinary shares for the six months ended 30 June 2026 and 2025 for the purpose of calculating the basic loss per share, had been retrospectively adjusted to account for the effect of the Share Consolidation and bonus element of the Rights Issue of the Company as detailed in note 17 which became effective on 24 July 2026 and note 15(c) which was completed on 16 January 2026 respectively.

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 six months ended 30 June 2026 and 2025.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group acquired certain property, plant and equipment with an aggregate carrying amount of HK\$774,000 (30 June 2025: HK\$940,000). The Group did not dispose any machinery and equipment (30 June 2025: nil) for the period.

During the six months ended 30 June 2026, the Group entered into new lease agreements for the use of office and recognised HK\$3,638,000 as right-of-use assets (30 June 2025: nil). The Group is required to make fixed monthly payments during the contract period.

## 12. TRADE RECEIVABLES

|                                         | At<br>30 June<br>2026<br>HK\$'000<br>(Unaudited) | At<br>31 December<br>2025<br>HK\$'000<br>(Audited) |
|-----------------------------------------|--------------------------------------------------|----------------------------------------------------|
| Trade receivables, gross                | 70,654                                           | 81,989                                             |
| Less: provision of expected credit loss | (46)                                             | (533)                                              |
| Trade receivables, net                  | 70,608                                           | 81,456                                             |

As at 30 June 2026, the gross carrying amount of trade receivables arising from contracts with customers amounted to HK\$70,654,000 (31 December 2025: HK\$81,989,000).

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 12. TRADE RECEIVABLES (Continued)

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

|               | At<br>30 June<br>2026<br>HK\$'000<br>(Unaudited) | At<br>31 December<br>2025<br>HK\$'000<br>(Audited) |
|---------------|--------------------------------------------------|----------------------------------------------------|
| 0 to 30 days  | 53,233                                           | 49,594                                             |
| 31 to 90 days | 5,503                                            | 26,366                                             |
| Over 90 days  | 11,872                                           | 5,496                                              |
|               | <b>70,608</b>                                    | <b>81,456</b>                                      |

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 dates:

|               | At<br>30 June<br>2026<br>HK\$'000<br>(Unaudited) | At<br>31 December<br>2025<br>HK\$'000<br>(Audited) |
|---------------|--------------------------------------------------|----------------------------------------------------|
| 0 to 30 days  | 97,790                                           | 77,387                                             |
| 31 to 90 days | 34,294                                           | 41,945                                             |
| Over 90 days  | 45,112                                           | 115,639                                            |
|               | <b>177,196</b>                                   | <b>234,971</b>                                     |

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

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 13. TRADE AND BILLS PAYABLES (Continued)

*Note:*

The bills payables included in trade and bills payables of HK\$4,596,000 (equivalent to RMB3,992,000) (31 December 2025: HK\$44,445,000 (equivalent to RMB40,143,000)) in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension.

## 14. BORROWINGS

|                                            | Contractual<br>interest rate<br>(%)                  | At<br>30 June<br>2026<br>HK\$'000<br>(Unaudited) | Contractual<br>interest rate<br>(%)                  | At<br>31 December<br>2025<br>HK\$'000<br>(Audited) |
|--------------------------------------------|------------------------------------------------------|--------------------------------------------------|------------------------------------------------------|----------------------------------------------------|
| Bank loans                                 |                                                      |                                                  |                                                      |                                                    |
| – secured (note a)                         | Fixed rates ranging from<br>3.10% to 5.00% per annum | 166,035                                          | Fixed rates ranging from<br>3.50% to 5.20% per annum | 150,192                                            |
| Corporate bonds                            |                                                      |                                                  |                                                      |                                                    |
| – secured (note b)                         | N/A                                                  | –                                                | Fixed rate at<br>6.75% per annum                     | 45,000                                             |
| Term loans                                 |                                                      |                                                  |                                                      |                                                    |
| – secured (note c)                         | N/A                                                  | –                                                | Fixed rate at<br>12.00% per annum                    | 17,000                                             |
| – secured (note d)                         | N/A                                                  | –                                                | Fixed rate at<br>12.00% per annum                    | 5,000                                              |
| <b>Sub-total of secured<br/>borrowings</b> |                                                      | <b>166,035</b>                                   |                                                      | <b>217,192</b>                                     |

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 14. BORROWINGS (Continued)

|                                              | Contractual<br>interest rate<br>(%) | At<br>30 June<br>2026<br>HK\$'000<br>(Unaudited) | Contractual<br>interest rate<br>(%) | At<br>31 December<br>2025<br>HK\$'000<br>(Audited) |
|----------------------------------------------|-------------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------------------------|
| Revolving loan<br>– unsecured (note e)       | N/A                                 | –                                                | Fixed rate at<br>12.00% per annum   | 3,000                                              |
| Term loan<br>– unsecured (note f)            | N/A                                 | –                                                | Fixed rate at<br>12.00% per annum   | 5,000                                              |
| – unsecured (note g)                         | N/A                                 | –                                                | Fixed rate at<br>12.00% per annum   | 30,000                                             |
| – unsecured (note h)                         | Fixed rate at<br>12.00% per annum   | 30,000                                           | N/A                                 | –                                                  |
| <b>Sub-total of unsecured<br/>borrowings</b> |                                     | <b>30,000</b>                                    |                                     | <b>38,000</b>                                      |
| <b>Total</b>                                 |                                     | <b>196,035</b>                                   |                                     | <b>255,192</b>                                     |
| <b>Analysed as current</b>                   |                                     | <b>196,035</b>                                   |                                     | <b>255,192</b>                                     |

The above loans are measured at amortised costs.

Notes:

- (a) The bank borrowings were secured by the Group's leasehold buildings and leasehold land under right-of-use assets with aggregate carrying amount of HK\$87,000,000 and HK\$2,797,000 respectively (31 December 2025: leasehold buildings and leasehold land under right-of-use assets with aggregate carrying amount of HK\$87,000,000 and HK\$2,869,000 respectively).

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 14. BORROWINGS (Continued)

*Notes: (Continued)*

- (a) The total banking facilities granted to the Group amounted to RMB260,000,000 (equivalent to HK\$299,332,000) (31 December 2025: RMB260,000,000 (equivalent to HK\$287,865,000)), including exposure limit and non-exposure limit of RMB160,000,000 (equivalent to HK\$184,204,000) and RMB100,000,000 (equivalent to HK\$115,128,000) respectively, of which only exposure limit of RMB147,012,000 (equivalent to HK\$169,252,000) (31 December 2025: RMB148,602,000 (equivalent to HK\$164,528,000)) was utilised as at 30 June 2026. The utilised balance consists of bank borrowings of RMB144,218,000 (equivalent to HK\$166,035,000) (31 December 2025: RMB135,653,000 (equivalent to HK\$150,192,000)) and bills payables of RMB2,794,000 (equivalent to HK\$3,217,000) (31 December 2025: RMB12,949,000 (equivalent to HK\$14,337,000)). On 22 April 2026, an extension agreement for the banking facilities was entered into between the Group and the bank to extend the facilities to 20 April 2027.
- (b) On 7 December 2016, corporate bonds amounted to HK\$45,000,000 were issued by the Company, bearing interest of 6% per annum and payable semiannually in arrears, and with maturity in two years, which were secured by shares of a subsidiary of the Company.

The corporate bonds had become due and payable on its maturity date on 6 December 2018. As at 31 December 2018, the Group defaulted on the repayment of the corporate bonds and further negotiated with the bond holder for extension. On 23 August 2019, by successfully entering into a deed of waiver and a supplemental deed poll to the bond instrument executed by the Company, the Group was discharged and released from the obligation and liabilities which arose from the default and the maturity date had been extended to 30 September 2020. The corporate bonds then bear interest at 6.75% per annum from 7 December 2018 to 30 September 2020. On 27 December 2019, an extension deed had been signed, which the maturity date had been extended to 31 March 2021. On 29 March 2021, another extension deed was signed, whereby the maturity date was further extended to 31 March 2022. On 29 March 2022, another extension deed was signed whereby the maturity date was further extended to 31 March 2023 and upon agreement by the bond holder, the maturity date was further extended to 30 September 2025.

On 22 January 2026, the corporate bonds were fully settled subsequently.

- (c) On 13 May 2020, the Group obtained a term loan of HK\$11,000,000 at a fixed rate of 12% per annum from an independent third party, with maturity in one year. The loan was secured by pledge of shares of a subsidiary of the Group and a first floating charge over the assets of a subsidiary of the Group to the lender.

The term loan was payable on its maturity date on 13 May 2021. On 13 March 2021, the Group entered into an extension letter to extend the maturity date to 13 May 2022. On 30 June 2021, an additional loan was obtained from the same independent third party amounted to HK\$6,000,000 under the same terms. On 19 April 2022, the Group extended the maturity date to 13 May 2023. On 8 May 2023, the Group further extended the maturity date to 13 May 2025. On 13 May 2025, the Group further extended the maturity to 13 May 2026.

On 15 January 2026, the term loan was fully settled subsequently.



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 14. BORROWINGS (Continued)

*Notes: (Continued)*

- (d) On 25 January 2021, the Group obtained a term loan of HK\$15,000,000 at a fixed rate of 12% per annum from an independent third party, with a maturity date on 27 April 2021. The loan was secured by a first floating charge over all the undertaking property and assets of a subsidiary of the Group to the lender.

The term loan was payable on its maturity date on 27 April 2021. On 29 March 2021, the Group extended the maturity date to 27 April 2022. On 31 March 2022, the Group extended the maturity date to 27 April 2023. On 31 August 2023, the Group repaid a principal amount of HK\$10,000,000. On 1 September 2023, the Group further extended the maturity date to 27 April 2025. On 9 April 2025, the Group further extended the maturity date to 27 April 2026 and the outstanding principal amount of HK\$5,000,000.

On 15 January 2026, the term loan was fully settled subsequently.

- (e) On 24 May 2021, the Group obtained a revolving loan facility for an aggregate principal amount of HK\$50,000,000 at a fixed rate of 12% per annum from an independent third party, with maturity in one year. The loan was guaranteed by the Company. On 19 April 2022, the Group entered into an extension letter to extend the maturity date to 24 May 2023. On 23 May 2023, the Group entered into another extension letter to further extend the maturity date to 24 May 2025. On 7 April 2025, the Group entered into another extension letter to further extend the maturity date to 24 May 2027. As at 31 December 2025, the Group had utilised HK\$3,000,000 of its revolving loan facility, with the remaining of HK\$47,000,000 remaining unutilised.

On 15 January 2026, the revolving loan was fully settled subsequently.

- (f) On 11 March 2024, the Group obtained a term loan of HK\$5,000,000 at a fixed rate of 12% per annum from an independent third party and the term loan was payable on its maturity date on 11 September 2025. On 28 August 2025, the Group extended the maturity date to 11 March 2027.

On 15 January 2026, the term loan was fully settled subsequently.

- (g) On 12 December 2025, the Group obtained a short-term loan of HK\$30,000,000 at a fixed rate of 12% per annum from an independent third party, with maturity date on 11 December 2026.

On 22 January 2026, the short-term loan was fully settled subsequently.

- (h) On 27 April 2026, the Group obtained a short-term loan of HK\$30,000,000 at a fixed rate of 12% per annum from an independent third party, with maturity date on 27 November 2026.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 15. SHARE CAPITAL

|                                                                                                                       | Number of<br>shares<br>'000 | Amount<br>HK\$'000 |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------|
| <b>Authorised:</b>                                                                                                    |                             |                    |
| At 1 January 2025 (Audited), 31 December 2025 (Audited), 1 January 2026 (Audited) and <b>30 June 2026 (Unaudited)</b> |                             |                    |
| Ordinary shares of HK\$0.01 each                                                                                      | <b>70,000,000</b>           | <b>700,000</b>     |
| <b>Issued and fully paid:</b>                                                                                         |                             |                    |
| At 1 January 2025 (Audited)                                                                                           |                             |                    |
| Ordinary shares of HK\$0.01 each                                                                                      | 145,357                     | 1,454              |
| Issue of new shares pursuant to subscription agreement ( <i>note a</i> )                                              | 9,400                       | 94                 |
| Issue of new shares pursuant to placing agreement ( <i>note b</i> )                                                   | 30,951                      | 309                |
| At 31 December 2025 (Audited) and 1 January 2026 (Audited)                                                            |                             |                    |
| Ordinary shares of HK\$0.01 each                                                                                      | 185,708                     | 1,857              |
| Issue of new shares pursuant to Rights Issue ( <i>note c</i> )                                                        | 1,299,963                   | 13,000             |
| <b>At 30 June 2026 (Unaudited)</b>                                                                                    |                             |                    |
| Ordinary shares of HK\$0.01 each                                                                                      | <b>1,485,671</b>            | <b>14,857</b>      |

### Notes:

- On 22 January 2025, the Company entered into a subscription agreement to issue and allot 9,400,000 ordinary shares 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.
- On 11 September 2025, the Company entered into a placing agreement to issue and allot 30,951,496 ordinary shares 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.
- 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 had been approved by independent shareholders of the Company at the special general meeting 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.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 16. MATERIAL RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

### (a) Outstanding balances with related parties

|                                                                               | At<br>30 June<br>2026<br>HK\$'000<br>(Unaudited) | At<br>31 December<br>2025<br>HK\$'000<br>(Audited) |
|-------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| Acquisition payable due to non-controlling interests of a subsidiary (note i) | (1,700)                                          | (1,700)                                            |
| Amount due to ultimate holding company (note ii)                              | –                                                | (2,000)                                            |

Notes:

- (i) The acquisition payable is unsecured, interest-free and repayable on demand.
- (ii) Amount due to ultimate holding company is unsecured, interest-free and repayable on demand.

### (b) Compensation of key management personnel

The remuneration of key management, comprising the directors of the Company, during the year is as follows:

|                              | Six months ended 30 June<br>2026<br>HK\$'000<br>(Unaudited) | 2025<br>HK\$'000<br>(Unaudited) |
|------------------------------|-------------------------------------------------------------|---------------------------------|
| Short-term employee benefits | 424                                                         | 1,845                           |
| Post-employment benefits     | 9                                                           | 106                             |
|                              | <b>433</b>                                                  | <b>1,951</b>                    |

The remuneration of key management, comprising the directors of the Company, is determined having regard to the performance of individuals and market trends.



# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2026

## 17. EVENT AFTER END OF THE REPORTING PERIOD

Subsequent to 30 June 2026 and up to the date of this report, the following event took place:

### Share Consolidation

On 2 June 2026, the Company proposed to implement the share consolidation (the “**Share Consolidation**”) on the basis that every ten (10) then issued and unissued shares of the Company of par value of HK\$0.01 each in the share capital of the Company (the “**Existing Shares**”) be consolidated into one (1) consolidated share of the Company of par value of HK\$0.1 each (the “**Consolidated Shares**”). The Share Consolidation was approved by the shareholders of the Company at the special general meeting of the Company held on 22 July 2026, and came into effect on 24 July 2026. Following the Share Consolidation becoming effective, the board lot size of has been changed from 10,000 Existing Shares to 1,000 Consolidated Shares.

### INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (30 June 2025: nil).

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

#### Long positions in the Shares and underlying Shares

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**"), were as follows:

| Name of Director                                                                    | Nature of interest                 | Number of Shares held/interested | Approximate percentage of the Company's issued Shares |
|-------------------------------------------------------------------------------------|------------------------------------|----------------------------------|-------------------------------------------------------|
| Ms. Wang Jingyu<br>(" <b>Ms. Wang</b> ")<br>(Resigned as Director on 1 August 2026) | Interest of controlled corporation | 299,143,304                      | 20.14%                                                |

#### Notes:

1. The approximate percentage of the Company's issued Shares was calculated on the basis of 1,485,671,808 Shares in issue as at 30 June 2026.
2. These interests were held by Peak Access International Limited ("**Peak Access**"), which was wholly-owned by Ms. Wang. Ms. Wang was also the sole director of Peak Access. Accordingly, Ms. Wang was deemed to be interested in 299,143,304 Shares under the SFO.
3. As at the date of this interim report, Ms. Wang does not hold any shares in the Company with reference to the announcements dated 17 July 2026 regarding the completion of the Private Placing. On 17 July 2026, all of the 299,143,304 Placing Shares are successfully placed to the Placees, Peak Access ceased to hold any Shares and accordingly ceased to be the substantial shareholder of the Company.



## Other Information

Saved as disclosed above, as at 30 June 2026, none of the Directors or chief executives registered an interest 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) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SHARE OPTION SCHEME

#### Existing Share Option Scheme

The existing share option scheme of the Company (the “**Scheme**”) was adopted by the Company at the special general meeting of the Company held on 19 November 2024. Unless otherwise cancelled or amended, the Scheme will be valid and effective for a period of 10 years commencing on 19 November 2024 (the “**Adoption Date**”). The purpose of the Scheme is to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives or rewards to the eligible participants for their contribution or potential contribution to the Group and to promote the overall success of the business of the Group. The Scheme will give the eligible participants an opportunity to have a personal stake in the Company which 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.

At the Adoption Date, the shareholders of the Company approved the scheme mandate limit and the service provider sublimit. The options to subscribe for 14,535,748 Shares were available for grant under the scheme mandate limit and options to subscribe for 4,360,724 Shares were available for grant under the service provider sublimit as at Adoption Date. The maximum number of Shares available for issue under the scheme mandate limit was 14,535,748 Shares, representing approximately 10% of the issued Shares of the Company as at the Adoption Date, and the maximum number of Shares available for issue under the service provider sublimit was 4,360,724 Shares, representing approximately 3% of the issued Shares of the Company as at Adoption Date.

As at 31 December 2025 and 1 January 2026, the options to subscribe for 14,535,748 Shares were available for grant under the scheme mandate limit and options to subscribe for 4,360,724 Shares were available for grant under the service provider sublimit as at 31 December 2025 and 1 January 2026. The maximum number of Shares available for issue under the scheme mandate limit was 14,535,748 Shares, representing approximately 7.83% of the issued Shares of the Company as at 31 December 2025 and 1 January 2026, and the maximum number of Shares available for issue under the service provider sublimit was 4,360,724 Shares, representing approximately 2.35% of the issued Shares of the Company as at 31 December 2025 and 1 January 2026.

As at 30 June 2026, the options to subscribe for 148,567,180 Shares were available for grant under the scheme mandate limit and options to subscribe for 44,570,154 Shares were available for grant under the service provider sublimit as at 30 June 2026. The maximum number of Shares available for issue under the scheme mandate limit was 148,567,180 Shares, representing approximately 10% of the issued Shares of the Company as at 30 June 2026, and the maximum number of Shares available for issue under the service provider sublimit was 44,570,154 Shares, representing approximately 3% of the issued Shares of the Company as at 30 June 2026.

## Other Information

As at the date of this interim report, the options to subscribe for 14,856,718 Shares (as adjusted for the Share Consolidation) were available for grant under the scheme mandate limit and options to subscribe for 4,457,015 Shares (as adjusted for the Share Consolidation) were available for grant under the service provider sublimit as at the date of this interim report. The maximum number of Shares available for issue under the scheme mandate limit was 14,856,718 Shares (as adjusted for the Share Consolidation), representing approximately 10% of the issued Shares of the Company as at the date of this interim report, and the maximum number of Shares available for issue under the service provider sublimit was 4,457,015 Shares (as adjusted for the Share Consolidation), representing approximately 3% of the issued Shares of the Company as at the date of this interim report.

No share options have been granted under the scheme since the Adoption Date and up to the date of this interim report.

As at 31 December 2025, 1 January 2026, and 30 June 2026, there were no outstanding share options under the Scheme.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the Scheme mentioned above, at no time during the six months ended 30 June 2026 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the period.

### INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2026, the following interests of more than 5% of the issued Shares were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

#### Long positions in the Shares

| Name of Shareholder                                 | Capacity and nature of interest    | Number of Shares held/interested | Approximate percentage of the Company's issued Shares |
|-----------------------------------------------------|------------------------------------|----------------------------------|-------------------------------------------------------|
| Ms. Wang<br>(Resigned as Director on 1 August 2026) | Interest of controlled corporation | 299,143,304                      | 20.14%                                                |

## Other Information

### Notes:

1. The approximate percentage of the Company's issued Shares was calculated on the basis of 1,485,671,808 Shares in issue as at 30 June 2026.
2. These interests were held by Peak Access, which was wholly-owned by Ms. Wang. Ms. Wang was also the sole director of Peak Access. Accordingly, Ms. Wang was deemed to be interested in 299,143,304 Shares under the SFO.
3. As at the date of this interim report, Ms. Wang does not hold any shares in the Company with reference to the announcements dated 17 July 2026 regarding the completion of the Private Placing. On 17 July 2026, all of the 299,143,304 Placing Shares are successfully placed to the Placees, Peak Access ceased to hold any Shares and accordingly ceased to be the substantial shareholder of the Company.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the Shares and underlying Shares as at 30 June 2026 as required pursuant to section 336 of the SFO.

## 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 six months ended 30 June 2026 except for the following deviations with reasons as explained:

### 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 during the six months ended 30 June 2026 as the positions of chairlady and chief executive officer of the Company were held by the same individual. Following the appointment of Ms. Wang, the then Executive Director and the Chairlady of the Board, as the then 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 was primarily involved in the formulation of business strategies and determination of the overall direction of the Group. She had also been chiefly responsible for the Group's operations and supervised members of the senior management. The Board believed that vesting the roles of chairlady and chief executive officer in the same person provided strong and consistent leadership and enhanced the effectiveness and efficiency in planning and implementation of business decisions and strategies. As all major decisions were made in consultation with members of the Board and relevant Board committees, and there were Independent Non-executive Directors on the Board offering independent perspectives, the Board was of the view that there were 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.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the **"Own Code"**) on terms no less exacting than the required standard set out in the Model Code. Specific enquiries have been made with the Directors and they have confirmed their compliance with the Own Code and the Model Code during the six months ended 30 June 2026.

### UPDATE ON DIRECTORS' INFORMATION

Sets out below the update on Directors and senior management information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

1. Mr. Wu Jiwei has resigned as an Independent Non-executive Director with effect from 2 April 2026.
2. Mr. Guo Jianwei has been appointed as an Independent Non-executive Director with effect from 2 April 2026 and resigned as an Independent Non-executive Director with effect from 19 August 2026.
3. Mr. Lin Shaopeng has resigned as a Non-executive Director with effect from 10 April 2026.
4. Mr. An Pingyan has been appointed as an Executive Director with effect from 1 July 2026, and Mr. An Pingyan has been appointed as the Chief Executive Officer with effect from 1 August 2026. The remuneration of Mr. An Pingyan has been adjusted to HK\$45,000 per month with effect from 1 August 2026. The remuneration of Mr. An Pingyan has been approved by the Remuneration Committee and the Board.
5. Ms. Wang Jingyu has resigned as an Executive Director, the Chairlady of the Board and the Chief Executive Officer of the Company with effect from 1 August 2026.
6. Mr. Zhao Kai has been appointed as an Executive Director and the Chairman of the Board with effect from 1 August 2026 and Mr. Zhao Kai has resigned as an Executive Director and the Chairman of the Board with effect from 7 September 2026.
7. Ms. Chak Wai Nga has been appointed as an Independent Non-executive Director of the Company with effect from 1 August 2026.
8. Ms. Chan Yuk Yee has resigned as the Company Secretary and ceased to be the Authorised Representatives and Mr. Law Hok Yu has been appointed as the Company Secretary and the Authorised Representatives with effect from 1 August 2026.
9. Mr. Wu Jiayao has been appointed as an Independent Non-executive Director with effect from 19 August 2026.



## Other Information

10. The remuneration of Mr. Yiu Chun Kong, the Executive Director, has been adjusted to HK\$40,000 per month with effect from 1 August 2026. The remuneration of Mr. Yiu Chun Kong has been approved by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information of the Directors and senior management required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the 2025 annual report of the Company on 27 March 2026.

### REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee has reviewed with the management the accounting principles and policies adopted by the Company and the unaudited condensed consolidated results for the six months ended 30 June 2026. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

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

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

On behalf of the Board

By Order of the Board

**Poly Xverse Intelligent Technology Co. Ltd**

**An Pingyan**

*Executive Director*

Hong Kong, 31 August 2026