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武漢有機控股有限公司
WUHAN YOUJI HOLDINGS LIMITED

Wuhan Youji Holdings Limited

武漢有機控股有限公司

(Formerly known as Wuhan Youji Holdings Ltd.)

(Incorporated in the Cayman Islands and re-domiciled to Hong Kong with limited liability)

(Stock Code: 2881)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

The Group's revenue for the six months ended 30 June 2026 was approximately RMB1,408.1 million, representing a decrease of approximately RMB32.1 million or approximately 2.2% compared to the corresponding period in 2025.

The Group's gross profit for the six months ended 30 June 2026 was approximately RMB261.3 million, representing an increase of approximately RMB98.3 million or approximately 60.3% compared to the corresponding period in 2025.

The Group's net profit for the six months ended 30 June 2026 was approximately RMB87.7 million, representing an increase of approximately RMB49.0 million or approximately 126.6% compared to the corresponding period in 2025.

For the six months ended 30 June 2026, the basic and diluted earnings per share attributable to the ordinary equity holders of the parent company were approximately RMB0.94, representing an increase of approximately RMB0.52 or approximately 123.8% compared to the corresponding period in 2025.

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Wuhan Youji Holdings Limited (the “**Company**” or “**we**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2026 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	5	1,408,144	1,440,232
Cost of sales		(1,146,858)	(1,277,195)
Gross profit		261,286	163,037
Other income and gains		20,530	28,355
Selling and distribution expenses		(11,847)	(12,307)
Administrative expenses		(55,770)	(50,146)
Research and development expenses		(67,160)	(72,737)
(Impairment losses)/reversal on financial assets		(1,253)	128
Other expenses		(13,694)	(1,859)
Finance costs		(17,855)	(17,487)
Share of profits and losses of:			
Joint venture		(3,064)	7,006
Associate		4,594	3,502
PROFIT BEFORE TAX	6	115,767	47,492
Income tax expense	7	(28,088)	(8,762)
PROFIT FOR THE PERIOD		87,679	38,730
Profit attributable to owners of the parent		87,679	38,730
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE PARENT:			
Basic and diluted (<i>RMB per share</i>)	9	0.94	0.42

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	<u>87,679</u>	<u>38,730</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(660)</u>	<u>(51)</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>(660)</u>	<u>(51)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>87,019</u>	<u>38,679</u>
Attributable to owners of the parent	<u>87,019</u>	<u>38,679</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

		30 June 2026	31 December 2025
	<i>Notes</i>	RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,300,553	1,240,577
Right-of-use assets		253,320	195,459
Other intangible assets		12,230	10,806
Investment in a joint venture		30,881	33,945
Investment in an associate		24,280	26,020
Prepayments		128,210	172,677
Total non-current assets		1,749,474	1,679,484
CURRENT ASSETS			
Inventories		388,572	328,085
Trade and bills receivables	11	280,694	272,076
Prepayments, deposits and other receivables		126,099	149,472
Pledged deposits		47,334	86,251
Cash and cash equivalents		145,300	125,042
Total current assets		987,999	960,926
CURRENT LIABILITIES			
Trade and bills payables	12	226,306	265,207
Other payables, accruals, and contract liabilities		245,197	231,015
Derivative financial instruments		1,307	—
Interest-bearing bank and other borrowings	13	1,064,124	1,041,422
Lease liabilities		7,050	12,255
Income tax payable		9,078	659
Total current liabilities		1,553,062	1,550,558
NET CURRENT LIABILITIES		(565,063)	(589,632)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,184,411	1,089,852

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

30 June 2026

		30 June 2026	31 December 2025
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	13	332,923	294,011
Government grants		32,827	35,570
Lease liabilities		13,365	15,658
Deferred tax liabilities		56,801	53,175
Total non-current liabilities		435,916	398,414
NET ASSETS		748,495	691,438
EQUITY			
Equity attributable to owners of the parent:			
Share capital		61	61
Reserves		748,434	691,377
Total equity		748,495	691,438

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent								
	Share capital RMB'000 (note 14)	Share premium RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Statutory reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
At 31 December 2025 (audited)	61	65,411	64,802	(32,670)	2,095	68,712	619	522,408	691,438
Profit for the period	—	—	—	—	—	—	—	87,679	87,679
Other comprehensive income for the period									
Exchange differences related to foreign operations	—	—	—	—	—	—	(660)	—	(660)
Total comprehensive income for the period	—	—	—	—	—	—	(660)	87,679	87,019
Final 2025 dividend declared	—	—	—	—	—	—	—	(29,996)	(29,996)
Equity-settled share based payment	—	—	—	—	34	—	—	—	34
At 30 June 2026 (unaudited)	<u>61</u>	<u>65,411*</u>	<u>64,802*</u>	<u>(32,670)*</u>	<u>2,129*</u>	<u>68,712*</u>	<u>(41)*</u>	<u>580,091*</u>	<u>748,495</u>

* These reserve accounts comprise the consolidated reserves of RMB748,434,000 (2025: RMB667,454,000) in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2026

	Attributable to owners of the parent							
	Share capital	Merger reserve	Capital reserve	Share-based payment reserves	Statutory reserve	Exchange fluctuation reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 14)							
At 31 December 2024 (audited)	61	64,802	32,741	1,676	68,712	721	504,912	673,625
Profit for the period	—	—	—	—	—	—	38,730	38,730
Other comprehensive income for the period:								
Exchange differences related to foreign operations	—	—	—	—	—	(51)	—	(51)
Total comprehensive income for the period	—	—	—	—	—	(51)	38,730	38,679
Final 2024 dividend declared	—	—	—	—	—	—	(44,999)	(44,999)
Equity-settled share based payment	—	—	—	210	—	—	—	210
At 30 June 2025 (unaudited)	<u>61</u>	<u>64,802</u>	<u>32,741</u>	<u>1,886</u>	<u>68,712</u>	<u>670</u>	<u>498,643</u>	<u>667,515</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
		(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	6	115,767	47,492
Adjustments for:			
Finance costs		17,855	17,487
Interest income		(936)	(1,328)
Depreciation of property, plant and equipment		67,175	65,131
Depreciation of right-of-use assets		6,946	7,658
Loss on changes in fair value of derivative financial instruments		1,307	—
Amortisation of other intangible assets		451	555
Share award scheme expenses		34	210
Gain on disposal of property, plant and equipment, and lease modification, net		(103)	(3)
Share of loss/(profit) of a joint venture		3,064	(7,006)
Share of profit of an associate		(4,594)	(3,502)
Write-down/(reversal of write-down) of inventories to net realisable value		614	(111)
Impairment of trade receivables		1,253	(128)
		208,833	126,455
Increase in inventories		(61,101)	(43,289)
Increase in trade and bills receivables		(18,492)	(88,901)
Increase in prepayments, deposits and other receivables		(28,396)	(5,575)
(Decrease)/increase in contract liabilities		(13,374)	11,245
(Decrease)/increase in trade and bills payables		(38,901)	10,597
Increase in other payables and accruals		28,864	8,067
Decrease in pledged bank deposits		8,914	2,584
Decrease in government grants		(2,743)	(2,802)
		83,604	18,381
Cash generated from operations		(13,121)	(15,880)
Income taxes paid			
Net cash flows from operating activities		70,483	2,501

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
Notes	RMB'000	RMB'000
	(unaudited)	(unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(97,054)	(133,079)
Additions to right-of-use assets	—	(103)
Additions to other intangible assets	—	1,796
Interest received from bank deposits	938	1,328
Loan from a related company	—	291
Proceeds from disposal of property, plant and equipment	2,767	657
Dividend received from an associate	6,273	4,654
	<u>(87,076)</u>	<u>(128,048)</u>
Net cash flows used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(17,592)	(18,867)
Proceeds from interest-bearing bank loan and other borrowings	682,810	793,258
Repayment of bank loans and other borrowings	(621,196)	(513,460)
Lease payments (including related interest)	(8,793)	(10,169)
Placement of pledged bank deposits	(212)	(84,864)
Withdrawal of pledged bank deposits	30,215	126,432
Dividends paid	(27,616)	(45,999)
	<u>37,616</u>	<u>246,331</u>
Net cash flows from financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	21,023	120,784
Cash and cash equivalents at beginning of period	125,042	73,680
Effect of foreign exchange rate changes	(765)	(51)
	<u>145,300</u>	<u>194,413</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
	<u>145,300</u>	<u>194,413</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>145,300</u>	<u>194,413</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. CORPORATE AND GROUP INFORMATION

Wuhan Youji Holdings Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 23 September 2016. The registered address of the office of the Company is PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands. The principal place of business in Hong Kong of the Company is Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The Company is engaging in investment holding. During the period, the subsidiaries of the Company were principally engaged in the manufacturing and sales of toluene derivative products.

In the opinion of the directors of the Company, the ultimate holding company of the Company is Vastocean Capital Limited which is incorporated in British Virgin Islands (“BVI”).

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

Basis of going concern assumption

The Group had net current liabilities of approximately RMB565 million with capital commitments of approximately RMB77 million as at 30 June 2026, the directors of the Company are of the opinion that the Group will have adequate working capital available to enable it to operate as a viable going concern after taking into account the historical operating performance, forecast on future net operating cash inflow of the Group and the Group’s available and unused banking facilities of approximately RMB812 million as at 30 June 2026, and the expected renewal of the Group’s banking facilities upon expiration. Moreover, subsequent to 30 June 2026, the Group succeeded to revolve certain current bank loans amounting RMB26 million to be repaid until 30 June 2027. Accordingly, the Group will be able to meet its financial obligations as they fall due for the following twelve months. Accordingly, these financial statements have been prepared on the going concern basis.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

The nature and impact of the amended HKFRS Accounting Standards are described below:

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments had no impact on the interim condensed consolidated financial information.

Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments had no impact on the interim condensed consolidated financial information.

Annual Improvements to HKFRS accounting Standards — Volume 11 include clarifications, simplifications, corrections or changes to improve consistency in HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing HKFRS 7, HKFRS 9 Financial Instruments, HKFRS 10 Consolidated Financial Statements and HKAS 7 Statements of Cash Flows. The amendments had no impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

Geographical Information

(a) Details of the revenue from external customers by geographical market are included in note 5 to the Interim Condensed Consolidated Financial Information.

(b) *Non-current assets*

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Chinese mainland	1,680,447	1,615,239
Asia (except Chinese mainland)	69,027	64,245
Total non-current assets	<u>1,749,474</u>	<u>1,679,484</u>

Information about a major customer

During the six months ended 30 June 2025 and 2026, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	<u>1,408,144</u>	<u>1,440,232</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Toluene oxidation products	813,694	894,653
Toluene chlorination products	346,630	348,943
Trading of products	<u>247,820</u>	<u>196,636</u>
Total	<u>1,408,144</u>	<u>1,440,232</u>

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Geographical markets		
Chinese mainland	1,070,104	1,100,924
Asia (except Chinese mainland)	155,989	158,832
Europe	81,599	107,574
America	89,203	64,930
Other countries/regions	<u>11,249</u>	<u>7,972</u>
Total	<u>1,408,144</u>	<u>1,440,232</u>

The revenue information above is based on the locations of the customers.

	For the six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Goods transferred at a point in time	<u>1,408,144</u>	<u>1,440,232</u>

During the six months ended 30 June 2026, the amounts of revenue recognised from sale of industrial products of RMB57,152,000 (2025: RMB53,157,000) were included in the contract liabilities at the beginning of the reporting period.

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 120 days from delivery, where payment in advance is normally required.

As the remaining performance obligations (unsatisfied or partially satisfied) at the end of the reporting period are part of contracts that have an original expected duration of one year or less, the transaction price allocated to them is not separately disclosed, as permitted by the practical expedient as required by HKFRS 15.

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	1,146,858	1,277,195
Write-down/(reversal of write-down) of inventories to net realisable value	614	(111)
Research and development costs (current year expenditures)	67,160	72,737
Depreciation of property, plant and equipment	67,175	65,131
Amortisation of other intangible assets	451	555
Depreciation of right-of-use assets	6,946	7,658
Gain on disposal of items of property, plant and equipment	(103)	(3)
Loss on changes in fair value of derivative financial instruments	(1,307)	—
Impairment/(reversal of impairment) of trade receivables, net	1,253	(128)
Additional deductions for input Value-added Tax	(1,089)	(1,024)
Foreign exchange differences, net	7,200	(4,506)
Government grants related to income	(6,046)	(9,708)
Government grants related to assets	(2,743)	(2,802)
Employee benefit expense (including directors' emoluments):		
Salaries, allowances and benefits in kind	43,576	49,689
Share award scheme expenses	34	210
Performance-based bonuses	4,546	1,162
Pension scheme contributions*	8,836	10,742
Total	<u>56,992</u>	<u>61,803</u>

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

	For the six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current — Hong Kong profits tax	67	38
Current — Chinese mainland — income taxes	24,395	12,132
Deferred income tax	3,626	(3,408)
Total tax charge	<u>28,088</u>	<u>8,762</u>

Cayman Islands and British Virgin Islands

Under the current tax laws of the Cayman Islands and the British Virgin Islands (“BVI”), the Company and its subsidiaries incorporated in the Cayman Islands and BVI are not subject to tax on income or capital gains.

Hong Kong

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the reporting periods, except for a subsidiary of the Group which is qualified under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Chinese Mainland

The provision for corporate income tax in Chinese mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the Corporate Income Tax Law, except for Wuhan Youji Industry Co., Ltd. and Qianjiang Xinyihong Organic Chemical Co., Ltd. (subsidiaries of the Company), which were qualified as a High and New Technology Enterprise to enjoy a preferential income tax rate of 15% during the reporting period.

8. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Final declared — RMB0.3215 (2025: RMB0.4823) per ordinary share	<u>29,996</u>	<u>44,999</u>

On 20 May 2026, the Company's shareholders at annual general meeting approved and declared 2025 final dividend of RMB0.3215 (six months ended 30 June 2025: RMB0.4823) per ordinary share, amounting to a total of approximately RMB29,996,000 (six months ended 30 June 2025: RMB44,999,000).

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 93,300,000 (2025: 93,300,000) outstanding during the period.

The Company had no potentially dilutive options or other financial instruments relating to the ordinary shares in issue during the six months ended 30 June 2026 and 2025.

The calculation of basic earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent	87,679	38,730
Shares		
Weighted average number of ordinary shares outstanding during the period	<u>93,300,000</u>	<u>93,300,000</u>
Earnings per share (basic, RMB per share)	<u>0.94</u>	<u>0.42</u>

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB129,816,000 (for the six months ended 30 June 2025: RMB151,745,000).

Assets with a net book value of RMB2,664,000 were disposed of by the Group during the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB654,000), resulting in a net gain on disposal of RMB103,000 (for the six months ended 30 June 2025: RMB3,000).

During the six months ended 30 June 2026 and 2025, no impairment loss was recognised during the periods.

At 30 June 2026, certain of the Group's buildings with an aggregate carrying amount of RMB127,548,000 were pledged to secure the Group's bank loans and other borrowings (31 December 2025: RMB130,378,000).

11. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	142,846	119,214
Bills receivable	139,719	154,291
	282,565	273,505
Impairment	(1,871)	(1,429)
Total	280,694	272,076

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the transaction date is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 4 months	134,493	102,745
Over 4 months but within 6 months	632	252
Over 6 months but within 12 months	1,365	3,644
Over 12 months but within 24 months	6,356	12,573
Total	142,846	119,214

The maturity date analysis for bills receivable is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	103,543	82,634
Over 3 months but within 6 months	36,176	71,657
Total	139,719	154,291

12. TRADE AND BILLS PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	115,306	133,207
Bills payable	111,000	132,000
Total	226,306	265,207

An ageing analysis of the trade payables as at the end of the reporting period, based on the transaction date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	114,943	133,063
1 year to 2 years	232	65
Over 2 years	131	79
Total	<u>115,306</u>	<u>133,207</u>

The maturity date analysis for bills payable is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	94,000	68,000
3 months to 6 months	17,000	64,000
Total	<u>111,000</u>	<u>132,000</u>

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate (%)	Maturity (year)	<i>RMB'000</i> (Unaudited)	Effective interest rate (%)	Maturity (year)	<i>RMB'000</i> (Audited)
Current						
Bank loans — secured	3.1–3.4	2026–2027	124,000	3.1–3.5	2026	259,290
Bank loans — unsecured	1.3–3.3	2026–2027	717,545	2.3–4.3	2026	627,654
Current portion of long-term bank loans — secured	3.1–3.4	2026–2027	76,499	3.1–3.4	2026	61,377
Current portion of long-term bank loans — unsecured	2.7–3.4	2026–2027	146,080	3.2–3.3	2026	48,101
Other borrowings — unsecured	—	2026	—	2.0	2026	45,000
			<u>1,064,124</u>			<u>1,041,422</u>
Non Current						
Bank loans-secured	3.1–3.4	2028–2030	285,803	3.1–3.4	2027	282,846
Bank loans-unsecured	3.0–3.2	2026–2030	47,120	3.2	2030	11,165
			<u>332,923</u>			<u>294,011</u>
Total			<u>1,397,047</u>			<u>1,335,433</u>
				30 June 2026 <i>RMB'000</i> (Unaudited)	31 December 2025 <i>RMB'000</i> (Audited)	
Analysed into:						
Within one year				1,064,124	1,041,422	
After one year but within two years				171,370	161,550	
More than two years				161,553	132,461	
Total				<u>1,397,047</u>	<u>1,335,433</u>	

Notes:

- (a) Bank loans and other borrowings of the Group are secured by:
- (1) At 30 June 2026, pledges over the Group's plant, equipment and buildings situated in Chinese mainland, which had an aggregate carrying amount of RMB127,548,000 (31 December 2025: RMB130,378,000);
 - (2) At 30 June 2026, pledges over the Group's leasehold lands situated in Chinese mainland, which had an aggregate carrying amount of RMB110,088,000 (31 December 2025: RMB111,461,000);
- (b) All bank loans and other borrowings of the Group are denominated in RMB and at fixed interest rates except for an unsecured bank loan with a carrying amount of JPY1,000,000,000 as at 30 June 2026 with an interest rate of 1.3% per annum.
- (c) The Group will roll-forward or repay the maturing loans or borrowings on schedule by utilizing the Group's unused bank facilities and operating cash inflows.

14. SHARE CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
93,300,000 ordinary shares of USD0.0001 each		
(31 December 2025: 93,300,000 ordinary shares of USD0.0001 each)	61	61

15. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for:		
Plant and machinery	76,630	95,776

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a renowned toluene derivative products provider in the PRC and the global market, primarily focusing on the manufacture of toluene oxidation products and toluene chlorination products and their derivatives through organic synthesis process. Our toluene derivative products are primarily used for food preservatives, household chemicals, animal feed acidifier and synthetic intermediates for agrochemical and pharmaceutical uses. We also engage in products trading (mainly in toluene trading) to supplement our primary production operations and sales.

Performance by Product Type

For the six months ended 30 June 2026

	Self-produced products		Trading of products	Total
	Toluene oxidation products and their derivatives ¹	Toluene chlorination products and their derivatives ²		
Revenue (RMB'000)	813,694	346,630	247,820	1,408,144
Cost of sales (RMB'000)	646,151	258,463	242,244	1,146,858
Sales volume (tonne)	100,093	54,614	36,846	191,553
Gross profit margin	20.6%	25.4%	2.3%	18.6%
Unit average selling price (RMB/tonne)	8,129	6,347	6,726	7,351

For the six months ended 30 June 2025

	Self-produced products			
	Toluene oxidation products and their derivatives ¹	Toluene chlorination products and their derivatives ²	Trading of products	Total
Revenue (<i>RMB'000</i>)	894,653	348,943	196,636	1,440,232
Cost of sales (<i>RMB'000</i>)	779,581	301,687	195,927	1,277,195
Sales volume (<i>tonne</i>)	124,291	62,046	36,411	222,748
Gross profit margin	12.9%	13.5%	0.4%	11.3%
Unit average selling price (<i>RMB/tonne</i>)	7,198	5,624	5,400	6,466

Revenue by geographical location of customers

	For the six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue		
Domestic sales	1,070,104	1,100,924
Export sales	338,040	339,308
Total	<u>1,408,144</u>	<u>1,440,232</u>

Notes:

1. Toluene oxidation products and their derivatives mainly include toluene oxidation products, benzoic acid ammonification products, and other fine chemicals (by-products or downstream extension products) generated during the production of toluene oxidation products.
2. Toluene chlorination products and their derivatives mainly include toluene chlorination products and other fine chemicals (by-products or downstream extension products) generated during the production of toluene chlorination products.

During the Reporting Period, the Group's overall revenue decreased by approximately 2.2% to approximately RMB1,408.1 million compared to the corresponding period in 2025 (for the six months ended 30 June 2025: approximately RMB1,440.2 million). The decrease in revenue for the current period compared to the same period last year was primarily due to a decline in overall sales volume. On the one hand, the Group proactively adopted a sales strategy focused on prudent volume management to safeguard earnings quality; on the other hand, also affected by the downstream demand structure, the prices of chemical products continued to rise during the period, and downstream customers adopted a wait-and-see attitude towards price trends, leading to a slowdown in the pace of procurement. The Group's overall gross profit increased by approximately 60.3% to approximately RMB261.3 million compared to the corresponding period in 2025 (for the six months ended 30 June 2025: approximately RMB163.0 million), and the Group's overall gross profit margin increased by approximately 7.3 percentage points to approximately 18.6% compared to the corresponding period in 2025 (for the six months ended 30 June 2025: approximately 11.3%). Gross profit and gross profit margin for the current period recorded a significant increase compared to the same period last year, primarily due to the continuous impact of geopolitics in the Middle East on regional raw material supply, leading to an overall contraction in industry supply. The Group accurately seized market opportunities and adjusted its product pricing strategy in a timely manner, thereby achieving an increase in the unit selling price of its major products, which in turn drove an overall improvement in the gross profit margin.

During the Reporting Period, the profit attributable to equity holders of the parent company increased by approximately 126.6% to approximately RMB87.7 million (for the six months ended 30 June 2025: approximately RMB38.7 million). This was mainly due to the above-mentioned increase in gross profit, which recorded growth, except partially offset by an increase in other expenses, a decrease in government grants and a share of losses of joint ventures during the period. The net profit margin attributable to equity holders of the parent company increased by approximately 3.5 percentage points to approximately 6.2% (for the six months ended 30 June 2025: approximately 2.7%).

Toluene oxidation products and their derivatives accounted for approximately 57.8% of the Group's overall revenue for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 62.1%)

Toluene oxidation products and their derivatives mainly include benzoic acid, sodium benzoate, and benzoic acid ammonification products, such as benzonitrile and benzoguanamine. The Group is the largest manufacturer of both benzoic acid and sodium benzoate in the PRC.

During the Reporting Period, revenue from the Group's toluene oxidation products and their derivatives decreased by approximately 9.0% to approximately RMB813.7 million compared to the same period in 2025 (for the six months ended 30 June 2025: approximately RMB894.7 million). This was primarily due to a decrease in the sales volume of such series of products, partly offset by higher unit prices. For the six months ended 30 June 2026, the sales volume of such series of products decreased by approximately 19.5% to 100,093 tonnes from 124,291 tonnes in the same period of 2025, and the average unit selling price for such series of products increased by approximately 12.9% to RMB8,129/tonne from RMB7,198/tonne in the same period of 2025. The revenue from such series of products accounted for approximately 57.8% of the Group's overall revenue (for the six months ended 30 June 2025: 62.1%).

During the Reporting Period, the overall gross profit of such series of products increased by approximately 45.6% to approximately RMB167.5 million (for the six months ended 30 June 2025: approximately RMB115.1 million), and the gross profit margin of such series of products increased by approximately 7.7 percentage points to approximately 20.6% (for the six months ended 30 June 2025: approximately 12.9%). During the Reporting Period, as previously mentioned, the Group adjusted its production and sales volumes for this product series in response to market conditions, resulting in a general increase in selling prices of major products and, consequently, a significant improvement in overall gross profit and gross profit margin for the series.

Toluene chlorination products and their derivatives accounted for approximately 24.6% of the Group's overall revenue for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 24.2%)

Toluene chlorination products and their derivatives mainly include benzyl chloride, benzyl alcohol, and benzyl acetate. The Group is the second largest manufacturer of benzyl alcohol in the PRC.

During the Reporting Period, revenue from the Group's toluene chlorination products and their derivatives remained largely flat at approximately RMB346.6 million compared to the same period in 2025 (for the six months ended 30 June 2025: approximately RMB348.9 million). The overall unit average selling price for such series of products increased by approximately 12.9% from RMB5,624/tonne in the same period of 2025 to RMB6,347/tonne. The sales volume for such series of products decreased by approximately 12.0% from 62,046 tonnes in the same period in 2025 to 54,614 tonnes. The revenue from such series of products accounted for approximately 24.6% of the Group's overall revenue (for the six months ended 30 June 2025: 24.2%).

During the Reporting Period, the gross profit of such series of products increased by 86.6% to approximately RMB88.2 million (for the six months ended 30 June 2025: approximately RMB47.3 million), and the gross profit margin of such series of products increased by approximately 11.9 percentage points to approximately 25.4% (for the six months ended 30 June 2025: approximately 13.5%). Both gross profit and gross profit margin recorded significant growth, primarily attributable to the Group's prudent volume management for such series of products, which led to an increase in the average unit selling price of the products. Concurrently, the Group continuously optimized production efficiency and strengthened cost control, resulting in a significant decrease in unit costs compared to the same period last year, jointly driving a substantial improvement in the overall profitability of such series of products.

Trading of products accounted for approximately 17.6% of the Group's overall revenue for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 13.7%)

We conduct trading of products primarily to maintain a stable and sufficient supply of raw materials for our manufacturing, and it also helps us enhance and develop our relationships with clients and to better manage our inventories in raw materials.

During the Reporting Period, revenue from trading of products increased by approximately 26.0% to approximately RMB247.8 million compared to the same period in 2025 (for the six months ended 30 June 2025: approximately RMB196.6 million). This was primarily due to an increase in average unit selling price, driven by the general rise in selling prices in the chemical industry. The revenue from trading of products accounted for approximately 17.6% of the Group's overall revenue (for the six months ended 30 June 2025: approximately 13.7%).

During the Reporting Period, the overall gross profit of trading of products increased to approximately RMB5.6 million (for the six months ended 30 June 2025: approximately RMB0.7 million), and the gross profit margin increased to approximately 2.3% (for the six months ended 30 June 2025: approximately 0.4%). The increase in gross profit and gross profit margin was mainly due to the rise in market prices of trading products driven by geopolitical factors in the Middle East during the first half of the year, which enhanced the profitability of other trading segments.

Export

During the Reporting Period, the Group achieved export revenue of approximately RMB338.0 million, representing a relatively stable performance as compared to the export revenue of approximately RMB339.3 million for the same period in 2025. The Group adopted a sales strategy focused on prudent volume management to safeguard earnings quality, which led to an increase in product selling prices, while sales volume declined correspondingly. As the two effects offset each other, export revenue remained broadly stable as compared to the corresponding period of last year.

During the Reporting Period, the Group's export revenue accounted for approximately 24.0% of its total revenue, representing an increase of 0.4 percentage points over the same period in 2025 (for the six months ended 30 June 2025: approximately 23.6%). Despite the anti-dumping investigations initiated by the European Union against two of the Group's major products at the end of 2025, the Group's export revenue proportion remained relatively stable during the Reporting Period. This was primarily attributable to the Group's cost leadership advantages, product quality and service capabilities, as well as its continuous efforts to develop new customers, which effectively mitigated the adverse impact of the investigations and maintained a stable export structure.

BUSINESS PROSPECTS

During the Reporting Period, the global chemical industry demonstrated strong resilience amidst significant challenges. In terms of cost structure, the ongoing geopolitical conflicts in the Middle East continued to escalate, exerting significant disruptions to the global energy supply chain. The substantial volatility in international oil prices drove the overall cost base of chemical products upward. Regarding the supply side, high-cost production capacity in Europe, Japan and South Korea continued to phase out, accelerating the restructuring of the global supply landscape. Meanwhile, the deepening of the domestic “anti-involution” policy facilitated the orderly exit of obsolete capacity. Furthermore, elevated oil prices increased cost pressures for some producers, leading to lower operating rates and further supply contraction. The pressure of industry overcapacity gradually eased, and the supply-demand relationship gradually moved towards balance. Regarding the demand side, global demand exhibited structural divergence. Traditional downstream sectors of the chemical industry experienced moderate recovery, while emerging industries such as artificial intelligence, new energy, and semiconductors sustained strong demand for high-end chemical new materials and specialty chemicals, serving as key engines driving industry growth. Driven by the combined effect of the above factors, chemical product prices recorded an overall increase during the Reporting Period. Industry profitability improved significantly compared to the same period last year, with major players all reporting notable growth. Looking ahead to the second half of the year, uncertainties remain regarding the pace of global economic recovery and the geopolitical landscape. The outlook for the chemical industry is cautiously optimistic. Supply-side contraction and elevated cost levels are expected to continue supporting industry conditions, while the sustainability of demand recovery will be a key variable.

As a major supplier of toluene derivatives in both the Chinese and global markets, the Group effectively responded to the dual changes on both the cost side and the supply side during the Reporting Period. Through flexible adjustments to its operating strategies, the Group achieved a significant improvement in profitability. In response to the supply contraction and cost volatility triggered by geopolitical tensions in the Middle East, the Group timely shifted to a sales strategy of prudent volume management to safeguard earnings quality. The unit selling price and unit gross profit of each major product recorded considerable growth, leading to significant improvements in overall gross profit and gross profit margin. Benefiting from the effective execution of the above-mentioned strategic initiatives, the Group achieved a significant improvement in profitability notwithstanding a moderate decrease in revenue as compared with the corresponding period of 2025. The Group's overall revenue decreased by approximately 2.2% to approximately RMB1,408.1 million (for the six months ended 30 June 2025: approximately RMB1,440.2 million) compared to the corresponding period in 2025, and the net profit increased by approximately 126.6% to approximately RMB87.7 million (for the six months ended 30 June 2025: approximately RMB38.7 million) compared to the corresponding period in 2025.

Looking into the future, the Group will closely monitor market dynamics, with particular focus on geopolitical developments in the Middle East and their transmission effects on energy supply and the chemical market, and dynamically adjust its business strategies to safeguard profitability. Key initiatives include: (i) to maintain low inventory levels to address uncertainties arising from rising crude oil costs and recurring geopolitical tensions, while flexibly arranging maintenance plans for production facilities and optimising capacity allocation; (ii) to dynamically adjust product sales strategies, with prudent volume management to support product pricing, while reducing prices in a timely manner for products with higher inventory levels to balance stock holding; (iii) to expand the coverage of global sales and marketing networks; (iv) to further enhance our research and development capabilities to develop high-value-added products; and (v) to tap the potential of existing production capacity, reduce costs and increase efficiency, and reduce unit costs through production process optimization, energy efficiency improvement and technological transformation.

In addition, the Group will continue to invest in Hubei Xinxuanhong Production Plant in accordance with the production expansion plan disclosed in the sections “Business” and “Future Plans and Use of Proceeds” of the Prospectus. The Phase II expansion of Hubei Xinxuanhong Production Plant (its designed production capacity mainly includes 160,000 tonnes/year of toluene chlorination products and 210,000 tonnes/year of other fine chemical products) is progressing steadily as planned, and it is expected that part of the production capacity will be put into operation in the second half of 2026, while the remaining production capacity will be built and put into use in phases until 2029. The Group expects that these new products will further drive business growth. The Group believes that with the gradual easing of macro-economic recovery pressure and the above strategic measures, the Group's revenue and profit level are expected to improve.

FINANCIAL REVIEW

Revenue and Gross Profit

During the Reporting Period, the Group achieved revenue of approximately RMB1,408.1 million, representing a decrease of approximately RMB32.1 million, or approximately 2.2% as compared to approximately RMB1,440.2 million for the same period in 2025. The Group's gross profit was approximately RMB261.3 million, representing an increase of approximately RMB98.3 million, or approximately 60.3% as compared to approximately RMB163.0 million for the same period in 2025. During the Reporting Period, the Group's gross profit margin was approximately 18.6%, representing an increase of approximately 7.3 percentage points as compared to approximately 11.3% for the same period in 2025.

Other Income and Gains

During the Reporting Period, the Group's other income and gains were RMB20.5 million, representing a decrease of approximately RMB7.9 million compared to approximately RMB28.4 million for the same period in 2025. The decrease in other income and gains was mainly due to the decrease in government grants received for foreign trade and economic development for the Reporting Period.

Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses were approximately RMB11.8 million, representing a decrease of approximately RMB0.5 million compared to approximately RMB12.3 million for the same period in 2025. Such decrease in selling and distribution expenses was mainly due to a decrease in exhibition-related expenses during the Reporting Period.

During the Reporting Period, the Group's selling and distribution expenses accounted for approximately 0.8% of the Group's revenue (for the six months ended 30 June 2025: approximately 0.9%).

Administrative Expenses

During the Reporting Period, the Group's administrative expenses were approximately RMB55.8 million, representing an increase of approximately RMB5.7 million compared to approximately RMB50.1 million for the same period in 2025. This was primarily attributable to the increase in performance-based bonuses arising from improved business performance during the Reporting Period.

During the Reporting Period, the Group's administrative expenses accounted for approximately 4.0% of the Group's revenue (for the six months ended 30 June 2025: approximately 3.5%).

Research and Development Expenses

During the Reporting Period, the Group's research and development expenses were approximately RMB67.2 million, representing a decrease of approximately RMB5.5 million compared to approximately RMB72.7 million for the same period in 2025. This was primarily attributable to the fact that the Phase I R&D project of photochemistry has entered the validation stage, resulting in a corresponding reduction in manpower input and cost allocation.

During the Reporting Period, the Group's research and development expenses accounted for approximately 4.8% of the Group's revenue (for the six months ended 30 June 2025: approximately 5.1%).

Other Expenses

During the Reporting Period, the Group's other expenses were approximately RMB13.7 million, representing a significant increase as compared to approximately RMB1.9 million for the same period in 2025. Such increase was primarily attributable to net foreign exchange losses arising from the depreciation of the US dollar against the RMB.

Finance Costs

During the Reporting Period, the Group's finance costs were approximately RMB17.9 million, remaining relatively stable as compared to approximately RMB17.5 million for the same period in 2025. Such slight increase in finance costs primarily reflected the growth in interest expenses arising from an increase in borrowing scale, which was partially offset by a decrease in borrowing interest rates during the period.

Income Tax Expenses

During the Reporting Period, the Group's income tax expenses were approximately RMB28.1 million, representing an increase of approximately RMB19.3 million compared to approximately RMB8.8 million for the same period in 2025. Such increase in income tax expenses was mainly due to an increase in profit before tax during the Reporting Period. Our effective tax rate increased from 18.5% for the six months ended 30 June 2025 to 24.3% for the Reporting Period.

Profit for the Period

During the Reporting Period, the Group recorded a net profit of approximately RMB87.7 million, representing an increase of approximately RMB49.0 million or 126.6% compared to approximately RMB38.7 million for the same period in 2025. During the Reporting Period, the Group's net profit margin was approximately 6.2%, as compared to approximately 2.7% for the corresponding period in 2025.

LIQUIDITY, GEARING RATIO AND CAPITAL STRUCTURE

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the six months ended 30 June 2026. To manage liquidity risk, the Board closely monitored the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Liquidity and Capital Structure

During the Reporting Period, the daily working capital of the Group was primarily derived from cash flows generated from daily business operations, bank borrowings and net proceeds from the global offering of the Company's shares completed on 18 June 2024 (the "**Global Offering**"). As of 30 June 2026, the Group had cash and cash equivalents of approximately RMB145.3 million (31 December 2025: approximately RMB125.0 million). As of 30 June 2026, the Group had pledged deposits of approximately RMB47.3 million (31 December 2025: approximately RMB86.3 million).

As at 30 June 2026 and 31 December 2025, the Group's net current liabilities primarily consisted of bank borrowings and other borrowings. It also includes contract liabilities amounting to RMB43.8 million and RMB57.2 million, respectively as at 30 June 2026 and 31 December 2025. As of 30 June 2026, the Group held interest-bearing bank and other borrowings of approximately RMB1,397.0 million, an increase of RMB61.6 million or 4.6% from RMB1,335.4 million as at 31 December 2025, primarily due to additional loan financing for daily business operations and capacity expansion. We expect to roll-forward or repay these loans on schedule using the cash flows we generate from our business operations and additional debt financing, if necessary. In particular, we maintained a revolving credit account with a number of large commercial banks in the amount of RMB2,200 million in aggregate, including both short term and long term credits. Therefore, we do not foresee any difficulties in repaying these loans as and when required. As of 30 June 2026, the Group had unutilized bank credit line of RMB812 million.

During the Reporting Period, the Group did not have any risk hedging instrument or hedge in its foreign currency investment.

Gearing Ratio

As at 30 June 2026, the Group's gearing ratio (which is calculated at net debt divided by total equity) was approximately 163.6%, representing a decrease as compared to approximately 166.6% as at 31 December 2025, which was primarily due to the increase in shareholders' equity driven by the profit contribution during the period.

Basic and diluted earnings per share

For the six months ended 30 June 2026, the basic and diluted earnings per share attributable to the ordinary equity holders of the parent company were approximately RMB0.94, representing an increase of approximately RMB0.52 or approximately 123.8% compared to the corresponding period in 2025.

Current Assets

As at 30 June 2026, the current assets of the Group amounted to approximately RMB988.0 million (31 December 2025: approximately RMB960.9 million), primarily consisting of inventories of approximately RMB388.6 million (31 December 2025: approximately RMB328.1 million), trade and bills receivables of approximately RMB280.7 million (31 December 2025: approximately RMB272.1 million), prepayments and other receivables of approximately RMB126.1 million (31 December 2025: approximately RMB149.5 million), cash and cash equivalents of approximately RMB145.3 million (31 December 2025: approximately RMB125.0 million), and pledged deposits of approximately RMB47.3 million (31 December 2025: approximately RMB86.3 million).

Inventories

The inventories of the Group primarily consist of raw materials, work in progress and finished goods. As at 30 June 2026, the total inventories of the Group amounted to approximately RMB388.6 million, representing an increase of approximately RMB60.5 million as compared with the total inventories of approximately RMB328.1 million as at 31 December 2025. Inventory turnover days were 56 days during the Reporting Period as compared with 48 days for the year ended 31 December 2025. Inventory balances and turnover days increased during the Reporting Period compared to the whole year of 2025, primarily due to the Group's adoption of a sales strategy of prudent volume management during the period, which slowed down the sales pace and correspondingly increased inventory balances, thereby driving up the inventory turnover days. The Group has been focusing on daily inventory management by making reasonable arrangements for business processes such as procurement, production and sales to ensure that inventories are maintained at a reasonable level.

Trade and Bills Receivables

As at 30 June 2026, trade and bills receivables of the Group were approximately RMB280.7 million, representing an increase of approximately RMB8.6 million as compared with that of approximately RMB272.1 million as at 31 December 2025. The turnover days for trade and bills receivables were 35 days during the Reporting Period while those for the year ended 31 December 2025 were 40 days. The decrease in turnover days during the Reporting Period compared to the whole year of 2025 was mainly due to the Group's strengthened management in trade receivables collection, resulting in improved capital recovery efficiency.

Prepayments and Other Receivables

As at 30 June 2026, prepayments and other receivables of the Group were approximately RMB126.1 million, representing a decrease of approximately RMB23.4 million from approximately RMB149.5 million as at 31 December 2025, mainly due to the decrease in input VAT available for deduction.

Current Liabilities

As at 30 June 2026, the total current liabilities of the Group amounted to approximately RMB1,553.1 million (31 December 2025: approximately RMB1,550.6 million), primarily consisting of trade and bills payables of approximately RMB226.3 million (31 December 2025: approximately RMB265.2 million), other payables and accruals and contract liabilities of approximately RMB245.2 million (31 December 2025: approximately RMB231.0 million), interest-bearing bank and other borrowings of approximately RMB1,064.1 million (31 December 2025: approximately RMB1,041.4 million), lease liabilities of approximately RMB7.1 million (31 December 2025: approximately RMB12.3 million), and income tax payable of approximately RMB9.1 million (31 December 2025: approximately RMB0.7 million).

Trade and Bills Payables

As at 30 June 2026, the Group's trade and bills payables amounted to approximately RMB226.3 million, representing a decrease of approximately RMB38.9 million as compared to approximately RMB265.2 million as at 31 December 2025, which was primarily attributable to the decline in procurement scale during the period.

The turnover days for trade and bills payables were 39 days, compared to 49 days for the year ended 31 December 2025. This decrease was primarily attributable to the reduction in the Group's procurement scale during the period, which led to a decrease in the average balance of trade payables, resulting in a corresponding decrease in the turnover days.

Other Payables and Accruals and Contract Liabilities

As at 30 June 2026, other payables and accruals and contract liabilities of the Group were approximately RMB245.2 million in aggregate, representing an increase of approximately RMB14.2 million as compared with those of approximately RMB231.0 million in aggregate as at 31 December 2025, mainly due to the increase in outstanding project payments.

Pledge of Assets

As at 30 June 2026, certain of the Group's property, plant and equipment and leasehold lands with net carrying amounts of approximately RMB237.6 million (31 December 2025: approximately RMB281.0 million) were pledged to secure bank and other borrowings and bank facilities granted to the Group.

Material Acquisitions, Disposals and Significant Investment

Save as the production expansion plans of the Hubei Xinxuanhong Production Plant, the construction of the Kangxin Industrial Park, the construction of the Malaysia Plant, and the photochemical projects as disclosed in the relevant announcements and the Prospectus, there were no other material acquisitions, disposals (including material acquisitions and disposals of subsidiaries, associates and joint ventures) or significant investment of the Group during the Reporting Period.

Capital Expenditures and Capital Commitments

During the Reporting Period, capital expenditures of the Group amounted to RMB97.1 million, which mainly related to purchase of property, plant and equipment and leasehold land. At the end of the Reporting Period, the Group had contractual commitments of RMB76.6 million, mainly related to the Hubei Xinxuanhong Production Plant and Kangxin Industrial Park.

Future Plans for Material Investment or Capital Assets

Save as the production expansion plans of Hubei Xinxuanhong Production Plant, the construction of Kangxin Industrial Park, the construction of the Malaysia Plant and the photochemical projects as disclosed in the relevant announcements and in the Prospectus, which the Company will consider funding by the Group's internal resources, bank loans or the net proceeds from the Global Offering, as at 30 June 2026 and as at the date of this announcement, the Group had no other plans for any material investment or acquisition of capital assets.

Contingent Liabilities

On 22 April 2024, Zhejiang Kangdian Pharmaceutical Co., Ltd. (hereinafter referred to as the “**Plaintiff**”) filed a lawsuit against Wuhan Youji Industry Co., Ltd. (“**Wuhan Youji**”, a subsidiary of the Company), alleging that Wuhan Youji had abused its dominant market position, which was in violation of the relevant provisions of the Anti-Monopoly Law in Chinese mainland.

Compensation amounting to RMB1,809,000 is claimed by the plaintiff. The directors, based on the advice from the Group’s legal counsel, believe that Wuhan Youji has a valid defence against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

Save as disclosed, the Group did not have any other material contingent liabilities as at 30 June 2026 and up to the date of this announcement.

Foreign Currency Risk and Interest Rate Risk

Foreign currency risk refers to the risk of loss caused by fluctuation in exchange rate. Transactional foreign currency risk arises from sales denominated in currencies other than the functional currency. The operations of the Group may also be affected by future fluctuation in exchange rate. The Group closely monitors the impact of changes in exchange rate on the Group’s foreign currency risk.

The Group’s principal activities are carried out in the PRC and our operations are mainly denominated in Renminbi. Management considers that our business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in currencies other than the respective functional currencies of our subsidiaries. The Group currently does not have any hedging policy for foreign currency in place. The Board will remain alert to any foreign currency risk and, if necessary, consider hedging any potential material foreign currency risk.

All bank loans and other borrowings of the Group are denominated in RMB except for an unsecured bank loan with a carrying amount of JPY1,000,000,000 and at fixed interest rates, except for secured bank loans amounting to RMB203,552,000 and unsecured bank loans amounting to RMB441,700,000 as at 30 June 2026, both of which are at floating interest rates. Management has closely monitored the interest rate risk during the Reporting Period and considers that the interest rate risk is minimal and controllable and does not consider any hedging activity to be necessary. Management will continue to closely monitor and control such risk. The Board will remain alert and will consider hedging any potential material interest rate risk if necessary.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Stock Exchange on 18 June 2024 (the “**Listing Date**”). The net proceeds from the Company’s issue of a total of 18,300,000 shares in the Global Offering, after deduction of underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering amounted to approximately HK\$25.9 million. The Company intends to use the net proceeds in the same manner and proportion as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

The following table sets forth the planned use of the net proceeds from the Global Offering and the amount utilized as of 30 June 2026:

Use of Proceeds	Proportion (%)	Net proceeds from the Global Offering (HK\$ million)	Utilised amount as of 30 June 2026 (HK\$ million)	Unutilised amount as of 30 June 2026 (HK\$ million)	Expected timetable for fully utilising the unutilised amount ⁽¹⁾
Increasing our production capacity at Hubei Xinxuanhong Production Plant by constructing new production facilities	82.0	21.2	21.2	0.0	
Research and development activities	3.0	0.8	0.8	0.0	
Sales and marketing activities	5.0	1.3	0.8	0.5	On or before 31 December 2026
Working capital and general corporate purposes	10.0	2.6	2.6	0.0	
Total	100	25.9	25.4	0.5	

Note:

- (1) The expected timetable for the utilisation of the unutilised proceeds as disclosed above is the best estimate made by the Board based on the latest information as at the date of this announcement. Save as disclosed above, the utilisation of proceeds was in accordance with the planned applications. The unutilised portion of the proceeds will be applied in a manner consistent with the above planned applications.

EMPLOYEES AND REMUNERATION POLICIES

The Group has formulated human resources policies and systems to include more incentive awards and bonuses in the remuneration system, as well as to provide diversified employee training and personal development programs for employees.

The emoluments provided by the Group to its employees are determined according to their responsibilities and the prevailing market terms. Employee benefits including bonus, pension, medical insurance, and provident fund are also provided to its employees.

As at 30 June 2026, the Group had a total of 634 employees (as at 31 December 2025: 638 employees).

During the Reporting Period, the Group's total staff costs (including wages, bonuses, social insurance and provident fund) amounted to approximately RMB57.0 million (for the six months ended 30 June 2025: approximately RMB61.8 million). The decrease is primarily due to lower factory remuneration expenses because of lower capacity utilization.

EVENTS AFTER THE REPORTING PERIOD

Re-domiciliation from the Cayman Islands to Hong Kong

On 5 August 2026, the Company completed its re-domiciliation from the Cayman Islands to Hong Kong, and the adoption of its new articles of association became effective on the same date. The re-domiciliation does not result in the creation of a new legal entity and does not affect the continuity of the Company's business operations. Following the re-domiciliation, the Company's registered office was changed to Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

Save as disclosed, the Group did not have any other material subsequent events from 30 June 2026 and up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period (for the six months ended 30 June 2025: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period. As at 30 June 2026, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**Corporate Governance Code**”) set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its code of governance.

During the Reporting Period, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all the Directors, the Directors have confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period and no incident of non-compliance by the Directors has been noted by the Company during the aforementioned period.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Board has established the Audit Committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of our Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises Mr. Liu Kai Yu Kenneth, Dr. Liu Zhongdong, Dr. Yuan Kang, Mr. Gao Lei and Mr. Shen Yingming, with Mr. Liu Kai Yu Kenneth (being our independent non-executive Director with appropriate professional qualifications) as the chairperson.

The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2026. Ernst & Young, the independent auditor of the Company, performed an independent review of the Group's interim financial information for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A report on the review of the interim financial information will be included in the interim report.

Save as disclosed in this announcement, during the Reporting Period, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Listing Rules.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.chinaorganic.com. The interim report of the Company for the six months ended 30 June 2026 containing all the information required under the Listing Rules will be despatched to the shareholders of the Company (if necessary) and posted on the above websites in due course.

By order of the Board
Wuhan Youji Holdings Limited
Zou Xiaohong
Chairman and Executive Director

Wuhan, the PRC, 26 August 2026

As at the date of this announcement, the Board comprises Mr. Zou Xiaohong (Chairman) and Mr. Chen Ping as executive Directors; Mr. Gao Lei, Mr. Shen Yingming and Ms. Li Deye as non-executive Directors; and Mr. Liu Kai Yu Kenneth, Dr. Liu Zhongdong and Dr. Yuan Kang as independent non-executive Directors.