DONGYUE FEDERATION

# DONGYUE GROUP LIMITED

# 東岳集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 189)**

## ANNOUNCEMENT OF INTERIM RESULTS FOR 2026

**FINANCIAL HIGHLIGHTS**

*(in RMB million, unless otherwise stated)*

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| Revenue | **8,060** | 7,463 |
| Gross profit | **2,996** | 2,172 |
| Gross profit margin | **37.18%** | 29.11% |
| Profit before taxation | **1,979** | 1,422 |
| Profit for the period | **1,634** | 1,057 |
| Profit for the period attributable to owners of the Company | **1,027** | 779 |
| Earnings per share — basic and diluted (RMB) | **0.60** | 0.47 |

| | As at | |
|---|---|---|
| | **30 June 2026** | 31 December 2025 |
| Total equity | **21,413** | 20,165 |
| Net assets per share (RMB) | **12.46** | 12.03 |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
*For the six months ended 30 June 2026*

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| | | **(Unaudited)** | (Unaudited) |
| Revenue | *3* | **8,059,974** | 7,463,394 |
| Cost of sales | | **(5,063,512)** | (5,290,973) |
| Gross profit | | **2,996,462** | 2,172,421 |
| Other income and other net gains or losses | *4* | **108,541** | 146,952 |
| Distribution and selling expenses | | **(221,680)** | (212,644) |
| Administrative and other expenses | | **(487,723)** | (326,574) |
| Research and development costs | | **(424,539)** | (369,226) |
| Gain on disposal of a subsidiary | *11* | **–** | 7,435 |
| Finance costs | | **(641)** | (1,562) |
| Share of results of an associate | | **8,480** | 5,681 |
| Profit before taxation | | **1,978,900** | 1,422,483 |
| Income tax expense | *5* | **(344,888)** | (365,595) |
| Profit for the period | *6* | **1,634,012** | 1,056,888 |
| Other comprehensive (expense)/income for the period | | | |
| *Items that will not be reclassified to profit or loss:* | | | |
| Fair value changes on equity instruments at fair value through other comprehensive income ("FVTOCI") | | **(21,540)** | 94,297 |
| Total comprehensive income for the period | | **1,612,472** | 1,151,185 |
| Profit for the period attributable to: | | | |
| — Owners of the Company | | **1,026,976** | 779,202 |
| — Non-controlling interests | | **607,036** | 277,686 |
| | | **1,634,012** | 1,056,888 |
| Total comprehensive income for the period attributable to: | | | |
| — Owners of the Company | | **1,014,012** | 869,148 |
| — Non-controlling interests | | **598,460** | 282,037 |
| | | **1,612,472** | 1,151,185 |
| Earnings per share | | | |
| — Basic and diluted (RMB) | *8* | **0.60** | 0.47 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2026*

| | Notes | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **12,242,829** | 11,915,717 |
| Right-of-use assets | | **949,448** | 970,547 |
| Deposits paid for purchase of property, plant and equipment | | **137,994** | 339,350 |
| Interest in an associate | | **162,261** | 153,781 |
| Intangible assets | | **12,272** | 14,262 |
| Equity instruments at FVTOCI | | **401,896** | 423,436 |
| Deferred tax assets | | **65,088** | 60,216 |
| Goodwill | | **143,097** | 302,615 |
| | | **14,114,885** | 14,179,924 |
| **Current assets** | | | |
| Inventories | | **1,448,572** | 1,348,057 |
| Properties for sale | | **–** | 6,109 |
| Trade and other receivables | *9* | **4,142,971** | 3,004,024 |
| Pledged bank deposits | | **304,277** | 14,744 |
| Bank balances and cash | | **6,067,007** | 5,005,398 |
| | | **11,962,827** | 9,378,332 |

| | Notes | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and other payables | *10* | **3,442,763** | 2,798,430 |
| Tax liabilities | | **164,459** | 23,398 |
| Lease liabilities | | **6,828** | 6,793 |
| Deferred income | | **47,992** | 41,999 |
| Dividends payable | | **469,506** | – |
| | | **4,131,548** | 2,870,620 |
| **Net current assets** | | **7,831,279** | 6,507,712 |
| **Total assets less current liabilities** | | **21,946,164** | 20,687,636 |
| **EQUITY** | | | |
| **Equity attributable to the equity holders of the Company** | | | |
| Share capital | | **163,506** | 163,506 |
| Reserves | | **15,052,190** | 14,213,478 |
| Equity attributable to the owners of the Company | | **15,215,696** | 14,376,984 |
| **Non-controlling interests** | | **6,197,514** | 5,787,648 |
| **Total equity** | | **21,413,210** | 20,164,632 |
| **Non-current liabilities** | | | |
| Bank borrowings | | **1,800** | 1,800 |
| Deferred tax liabilities | | **232,676** | 220,167 |
| Lease liabilities | | **21,065** | 25,205 |
| Deferred income | | **277,413** | 275,832 |
| | | **532,954** | 523,004 |
| | | **21,946,164** | 20,687,636 |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2026*

## 1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value through other comprehensive income.

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

**Application of amendments to IFRS Accounting Standards**

IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

For the current period, the Group has applied all the new and revised IFRS Accounting Standards as well as amendments to and interpretation of IFRS Accounting Standards that are relevant to its operations and effective for the financial periods beginning on or after 1 January 2026. These applications do not have a material impact on the condensed consolidated financial statements of the Group.

**Standards issued but not yet effective**

The Group has not applied the new IFRS Accounting Standards that have been issued but are not yet effective. The application of these new IFRS Accounting Standards will not have material impact on the financial statements of the Group. The Group has already commenced an assessment of the impact of these new IFRS Accounting Standards but is not yet in a position to state whether these new IFRS Accounting Standards would have a material impact on its results of operations and financial position.

## 3. SEGMENT INFORMATION

The Group's operations are organised based on the different types of products. Information reported to the board of directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of products. This is the basis upon which the Group is organised.

The Group's operating and reportable segments are as follows:

- Polymers;
- Organic silicone;
- Refrigerants;
- Dichloromethane and liquid alkali; and
- Other operations — manufacturing and sales of side-products of refrigerants segment, polymers segment, organic silicone segment and dichloromethane and liquid alkali segment, property development and rental income.

### Segment revenue and results

The segment results for the six months ended 30 June 2026 are as follows:

| | Polymers | Organic silicone | Refrigerants | Dichloromethane and liquid alkali | Other operations | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue | | | | | | | |
| External sales | 2,140,549 | 2,613,418 | 2,568,534 | 465,765 | 271,708 | – | 8,059,974 |
| Inter-segment sales | 1,199 | 285 | 993,716 | 10,458 | 1,079,468 | (2,085,126) | – |
| Total revenue — segment revenue | 2,141,748 | 2,613,703 | 3,562,250 | 476,223 | 1,351,176 | (2,085,126) | 8,059,974 |
| Segment results | 438,573 | 235,806 | 1,246,014 | 59,603 | (7,231) | – | 1,972,765 |
| Unallocated corporate expenses | – | – | – | – | – | – | (1,704) |
| Share of results of an associate | – | – | – | – | – | – | 8,480 |
| Finance costs | – | – | – | – | – | – | (641) |
| Profit/(loss) before income tax | 438,573 | 235,806 | 1,246,014 | 59,603 | (7,231) | – | 1,978,900 |

The segment results for the six months ended 30 June 2025 are as follows:

| | Polymers | Organic silicone | Refrigerants | Dichloromethane and liquid alkali | Other operations | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue | | | | | | | |
| External sales | 1,939,795 | 2,319,120 | 2,292,067 | 636,444 | 275,968 | – | 7,463,394 |
| Inter-segment sales | – | – | 1,207,606 | 13,192 | 705,804 | (1,926,602) | – |
| Total revenue — segment revenue | 1,939,795 | 2,319,120 | 3,499,673 | 649,636 | 981,772 | (1,926,602) | 7,463,394 |
| Segment results | 259,195 | 8,750 | 1,029,831 | 213,693 | (87,219) | – | 1,424,250 |
| Unallocated corporate expenses | – | – | – | – | – | – | (13,321) |
| Gain on disposal of a subsidiary | – | – | – | – | – | – | 7,435 |
| Share of results of associates | – | – | – | – | – | – | 5,681 |
| Finance costs | – | – | – | – | – | – | (1,562) |
| Profit/(loss) before income tax | 259,195 | 8,750 | 1,029,831 | 213,693 | (87,219) | – | 1,422,483 |

Segment results represent the results of each segment without allocation of unallocated expenses and central administration costs, directors' salaries, share of results of associates, gain on disposal of subsidiaries and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. No segment information on assets and liabilities is presented as such information is not reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

## 4. OTHER INCOME AND OTHER GAINS OR LOSSES

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| **Other income** | | |
| Government grants *(note (i))* | **58,822** | 93,974 |
| Bank deposits interest income | **30,534** | 13,629 |
| Interest income from associates | **–** | 731 |
| Sundry income | **41,789** | 30,749 |
| **Other gains or losses** | **131,145** | 139,083 |
| Exchange difference, net | **(22,604)** | 7,869 |
| | **108,541** | 146,952 |

*Notes:*

(i) During the six months ended 30 June 2026, the Group recognised government grants of RMB12,361,000 (six months ended 30 June 2025: RMB48,483,000) in the condensed consolidated statement of profit or loss and other comprehensive income. The Group recognised these government grants as other income when there were no unfulfilled conditions or contingencies.

During the six months ended 30 June 2026, in addition, the Group recognised government grant of RMB46,461,000 (six months ended 30 June 2025: RMB45,491,000) from government in respect of the acquisition of property, plant and equipment for manufacturing of chemical products. Such subsidies are classified as deferred income in the condensed consolidated statement of financial position and will be recognised in the condensed consolidated statement of profit or loss and other comprehensive income over the estimated useful lives of the related assets.

## 5. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Current tax | | |
| PRC enterprise income tax ("EIT") | | |
| — Current year | **282,045** | 313,057 |
| — Under provision in prior years | **61,045** | 27,938 |
| Land Appreciation Tax ("LAT") | **(5,839)** | 20 |
| | **337,251** | 341,015 |
| Deferred tax | | |
| — Withholding tax for distributable profits of PRC subsidiaries | **32,250** | 35,000 |
| — Others | **(24,613)** | (10,420) |
| | **7,637** | 24,580 |
| | **344,888** | 365,595 |

Tax charge mainly consists of income tax in the PRC attributable to the assessable profits of the Company's subsidiaries established in the PRC. Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (six months ended 30 June 2025: 25%), except for certain PRC subsidiaries being awarded the Advanced-Technology Enterprise Certificate and entitled for a tax reduction from 25% to 15%.

The Company's subsidiaries incorporated in Hong Kong is subject to income tax at the rate of 16.5% on the estimated assessable profits. No provision for Hong Kong profit tax is provided for as the Group did not have estimated assessable profits arising in Hong Kong during both periods.

Pursuant to the local rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

According to a joint circular of Ministry of Finance and State Administration of Taxation, Cai Shui [2008] No. 1, dividend distributed out of the profits generated since 1 January 2008 held by the PRC entity shall be subject to EIT pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for the Implementation of the Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises. Deferred tax liability of RMB32,250,000 (six months ended 30 June 2025: RMB35,000,000) on the undistributed earnings of subsidiaries has been charged to profit or loss for the six months ended 30 June 2026.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

## 6. PROFIT FOR THE PERIOD

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Amortisation of intangible assets (included in cost of sales) | **1,990** | 1,890 |
| Depreciation of property, plant and equipment | **649,630** | 661,228 |
| Depreciation of right-of-use assets | **21,099** | 17,582 |
| Government grants | **(58,822)** | (93,974) |
| Loss on disposal of property, plant and equipment | **58,716** | 61,284 |
| Impairment on property, plant and equipment | **–** | 85,571 |
| Impairment on Intangible assets | **–** | 2,273 |
| Impairment on trade and other receivables | **51,677** | 12,108 |
| Impairment on goodwill | **159,518** | – |
| Write-down of inventories (included in cost of sales) | **5,177** | 12,144 |
| Equity-settled share-based payments | **7,081** | 17,210 |

## 7. DIVIDENDS

During the six months ended 30 June 2026, a final dividend of HK$0.30 per share amounting to HK$519,813,491 (approximately equivalent to RMB469,506,000) in respect of the year ended 31 December 2025 (six months ended 30 June 2025: a final dividend of HK$0.1 per share amounting to HK$173,271,164 (equivalent to RMB160,456,029) in respect of the year ended 31 December 2024) has been declared and the amount has been paid up to the date of this announcement.

## 8. EARNINGS PER SHARE

### (i) Basic earnings per share

The calculations of basic earnings per share attributable to the owners of the Company are based on the following:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| Profit for the period attributable to owners of the Company, used in the basic earnings per share calculations (RMB) | **1,026,976,000** | 779,202,000 |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | **1,718,480,383** | 1,657,350,167 |
| Basic earnings per share (RMB per share) | **0.60** | 0.47 |

### (ii) Diluted earnings per share

The calculations of diluted earnings per share attributable to the owners of the Company are based on the following:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| Profit for the period attributable to owners of the Company, used in the basic earnings per share calculations (RMB) | **1,026,976,000** | 779,202,000 |
| Adjustments for the profit attributable to the share option scheme issued by a subsidiary (RMB) | **(993,000)** | (67,000) |
| Earnings for the purpose of calculating diluted earnings per share (RMB) | **1,025,983,000** | 779,135,000 |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | **1,718,480,383** | 1,657,350,167 |
| Diluted Earnings per share (RMB per share) | **0.60** | 0.47 |

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the six months ended 30 June 2026 and 2025 has been arrived at after deducting the shares held in the trust for the Employee Option Scheme of the Company, which was terminated on 27 September 2024. During the period ended 30 June 2026 and 2025, the Company sold 22,266,000 shares and 16,862,000 shares held in the aforesaid trust, respectively. As at 30 June 2026, no share was held in the trust for the Employee Option Scheme of the Company.

## 9. TRADE AND OTHER RECEIVABLES

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Trade receivables *(note (i))* | **3,846,708** | 2,455,142 |
| Less: allowance for doubtful debts | **(53,154)** | (34,007) |
| | **3,793,554** | 2,421,135 |
| Prepayments for raw materials | **30,306** | 24,035 |
| Tax recoverables | **104,860** | 276,147 |
| Outstanding amount of deposit receivables *(note (ii))* | **17,144** | 45,509 |
| Deposits and other receivables | **197,107** | 237,198 |
| | **4,142,971** | 3,004,024 |

*Notes:*

(i) Included in trade receivables are bills receivables amounting to RMB2,893,642,000 as at 30 June 2026 (31 December 2025: RMB1,881,632,000).

Customers are generally granted with credit period ranged between 30-90 days for trade receivables. Bills receivables are generally due in 90 days or 180 days. The following is an aging analysis of trade and bills receivables, net of allowance for credit losses presented based on the invoice date.

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Within 90 days | **1,682,769** | 1,678,833 |
| 91–180 days | **2,147,847** | 763,275 |
| 181–365 days | **7,076** | 6,063 |
| More than 1 year | **9,016** | 6,971 |
| | **3,846,708** | 2,455,142 |

(ii) In 2022 an indirect subsidiary of the Company, Shandong Dongyue Polymers Co., Ltd. ("Dongyue Polymers"), placed deposits amounted to RMB309,888,000 to the account of Macro-link Holding Group Finance Company Limited ("Macro-link Finance"), such deposits were secured by 30,000,000 shares, approximately 11.91% equity interest in Hunan Hualian Porcelain Industry Co.,Ltd. (湖南華聯瓷業股份有限公司, "Hualian Porcelain"), a company listed on the Shenzhen Stock Exchange (stock code: 001216.SZ).

In 2024 Dongyue Polymers initiated legal proceedings regarding the outstanding deposits. In April 2025 the court ruled that 5.96% of the equity interest in Hualian Porcelain pledged (representing approximately half of the total equity interest pledged of 11.91% equity interest pledged) was transferred to Dongyue Polymers to partially settle deposits amounting to RMB186,750,000, additionally Dongyue Polymers received the repayment approximately amounting to RMB105,994,000 under the bankruptcy reorganization of Macro-Link Finance. As at 30 June 2026 the remaining deposit receivables of RMB17,144,000 were secured by 15,000,000 shares of Hualian Porcelain with market value of approximately RMB211,650,000. Up to the date of this report Dongyue Polymers continues to prioritize its claim to recover the remaining amounts from the bankruptcy estate of Macro-link Finance.

## 10. TRADE AND OTHER PAYABLES

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Trade payables *(note (i))* | **2,459,381** | 1,999,141 |
| Contract liabilities — sale of chemical products *(note (ii))* | **138,611** | 125,757 |
| Contract liabilities — rental receipt of leasehold lands *(note (iii))* | **3,224** | – |
| Payroll payable | **190,361** | 265,428 |
| Payable for property, plant and equipment | **513,370** | 245,321 |
| Other tax payables | **57,896** | 65,452 |
| Construction cost payables for properties under development for sale | **–** | 2,888 |
| Other payables and accruals | **79,920** | 94,443 |
| | **3,442,763** | 2,798,430 |

*Notes:*

(i) Included in the trade payables are bills payables amounting to RMB1,078,290,000 (31 December 2025: RMB326,752,000). Bills payables are secured by the Group's pledged bank deposits and bills receivables.

(ii) The amount represents the receipt in advance from customers arising from pre-sale of chemical products.

(iii) The amount represents the receipt in advance from customers arising from the rental receipt of leasehold lands.

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

| | **30 June 2026** *RMB'000* **(Unaudited)** | 31 December 2025 *RMB'000* (Audited) |
|---|---|---|
| Within 30 days | **940,630** | 1,015,313 |
| 31–90 days | **609,692** | 376,284 |
| 91–180 days | **689,759** | 258,437 |
| 181–365 days | **122,235** | 189,404 |
| 1–2 years | **38,538** | 82,717 |
| More than 2 years | **58,527** | 76,986 |
| | **2,459,381** | 1,999,141 |

## 11. DISPOSAL OF A SUBSIDIARY

### (a) Disposal of Huantai Kehui Environmentally Friendly New Building Materials Co., Ltd.

In December 2024, Shandong Dongyue Fluo-Silicon Materials Co., Ltd. ("Dongyue Fluo-Silicon") entered into a shares transfer agreement with a third party, pursuant to which, Dongyue Fluo-Silicon agreed to sell and the third party agreed to purchase 100% interest of Huantai Kehui Environmentally Friendly New Building Materials Co., Ltd. ("桓台科匯環保新型建材有限公司", "Huantai Kehui"). The shares transfer was completed in January 2025.

Net assets at the date of disposal were as follows:

| | *RMB'000* **(Unaudited)** |
|---|---|
| Property, plant and equipment | **6,299** |
| Right-of-use assets | **11,399** |
| Net asset disposed of | **17,698** |
| Direct cost to the disposal | **2,207** |
| Derecognition of goodwill | **660** |
| Gain on disposal of a subsidiary | **7,435** |
| Total consideration — satisfied by cash | **28,000** |
| Net cash inflow arising on disposal: | |
| Cash consideration received | **28,000** |
| Cash paid for direct cost | **(2,207)** |
| Cash and cash equivalents disposed of | **–** |
| | **25,793** |

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results Review

For the first half of 2026, amid the combined impact of domestic and international conditions, the Group has proactively adjusted its response strategies and seized market opportunities. Leveraging its years of operating experience and competitive strengths in the fluorosilicone chemical industry, the Group once again delivered strong operating results.

### *I. Strong Operating Performance Reached Another Record High*

During the first half of the year, despite a complex and rapidly changing operating environment, the Group achieved another step up in its operating performance from its 2025 level. During the period under review, driven by the overall market recovery in the fluorosilicone industry, prices of several of the Group's core products increased to varying degrees. Although the international situation led to higher costs for certain raw materials, the Group's efficient cost control system effectively reduced overall costs, driving a year-on-year increase of 8 percentage points in gross profit margin. During the period, profit for the period attributable to owners of the Company increased by approximately 31.80% year-on-year, marking another record of outstanding operating performance.

### *II. Driving Research and Innovation Breakthroughs*

The Group places great emphasis on technological R&D and independent innovation. With such strong R&D capabilities, it has established technological innovation as a core element of its market competitiveness. In recent years, the Group has made extensive market positioning in areas such as high-end polymers, high-purity materials and chloroalkali ion exchange membranes, receiving positive market feedback. The contribution of new products to revenue has continued to grow. In the first half of the year, the Group actively advanced the implementation of its R&D initiatives, finalising a number of industrialisation projects and research programmes. The related projects are expected to involve additional investment of more than RMB1 billion. During the period under review, the Group's R&D expenditure increased by 14.98% year-on-year, accounting for 5.27% of revenue. The Group obtained 12 patents during the period, holding a total of 478 patents at the end of the period. The R&D team comprised 645 personnel, of whom 46.67% held doctoral or master's degrees.

### *III. Safe and Environmentally Sound Operations Ensuring Stable Business Performance*

Safety and environmental protection are cornerstones for the Group's stable production and operations. In the first half of the year, despite various market disruptions, the Group maintained orderly and stable production and operations, providing a solid basis for the substantial improvement in its performance. During the period under review, in respect of safety, the Group recorded no reportable safety incidents. In respect of environmental protection, all discharge wastewater met the required standards, with total external wastewater discharge reduced by 5.45% year-on-year, and solid waste generation decreased by 17.57% year-on-year. In addition, during the first half of the year, the Group adjusted its hazardous waste disposal arrangement, resulting in a significant reduction in hazardous waste disposal expenses year-on-year.

### *IV. Completion of Key Construction Projects*

In the first half of the year, the Group completed construction and commenced operations on several key projects, including the New Energy Center Project and the R32 Refrigerant Capacity Expansion Project. The New Energy Center Project, which took one and a half years to construct, has been successfully placed into operation. The commencement of its operation enables the Group to further reduce energy consumption, improve environmental emission standards, enhance operational stability, and mitigate safety risks. The R32 Refrigerant Capacity Expansion Project was also completed and put into production during the first half of the year, adding 49,000 tonnes per annum of R32 refrigerant production capacity. This provides strong support and safeguard for the Group in responding to future changes in the refrigerant market.

## Prospect

Although the Group achieved significant growth in its performance during the first half of the year, prudent and cautious approach remain necessary to cope with the complex and volatile market environment. In light of the many uncertainties anticipated in the second half of the year, the Group will adopt the following operational strategies:

1. ***Streamline R&D resources and drive targeted R&D commercialization***

   In the second half of the year, the Group will review and streamline all of its R&D platforms and projects, including key platforms and initiatives such as National Key Laboratory, Enterprise Technology Center, and Postdoctoral Workstation. The Group will fully leverage its existing R&D platforms and resource advantages to focus on core technological breakthroughs in high-growth sectors such as AI, semiconductors, and new energy, while accelerating the industrialization of related products to cultivate new drivers of performance growth for the Group. The Group will also increase related investments, unlock the potential of its existing research personnel, and attract high-calibre technical professionals, continuously strengthening its R&D capabilities for the future.

2. ***Formulating sales strategies in line with market changes and actively promoting new product sales***

   At present, the overall domestic and international environment have created considerable market uncertainty. The Group must therefore closely monitor market developments and adjust its sales strategies accordingly. For new products, the Group will further strengthen its marketing and promotion efforts by establishing a dedicated department for new product application and promotion. Relevant personnel will be required to possess a certain level of technical expertise and an in-depth understanding of the new products. In addition, the promotion of new products will also be incorporated into the performance assessments of relevant R&D projects.

3. ***Enhancing safety and environmental protection standards to ensure operational stability***

The Group has always adhered to high standards in safe and environmentally responsible production, and will continue to raise these standards going forward. In the second half of the year, the Group will implement a digital, inventory-based management upgrade for chemicals, with rigorous monitoring and early warning systems for chemical operation indicators. For wastewater treatment, the Group will upgrade its sewage management system and complete the planning for the entire process of pipeline transportation and disposal. The Group will establish a permanent environmental protection research, testing and monitoring body to centrally manage all environmental issues, water restoration, soil and water remediation, and emissions-reduction initiatives. Guided by its green and "dual-carbon" objectives, the Group will promote medium to long-term industrial upgrading through three major initiatives: energy structure optimisation, energy-saving and emission-reduction technological transformation, and digital platform construction. These measures will form a standardised Dongyue dual-carbon governance framework. Looking ahead, the Group aims to build industrial parks with zero accidents, zero waste and green operations, thereby laying a solid foundation for its stable operations.

4. ***Comprehensively fortifying the risk defense line to ensure steady and long-term business operations***

The market environment in the second half of the year is subject to numerous uncertainties. The Group must therefore continue strengthening its internal capabilities and risk control measures to effectively mitigate the impact of changes in the external environment. The Group has assessed risks relating to safety and environmental protection, R&D, finance, operations, compliance, investment and managements, and has formulated practical and effective countermeasures for each type of risk, while simultaneously strengthening risk awareness among all employees to minimize the likelihood of risk events occurring.

The substantial growth in the Group's results in the first half of the year has provided a good start for the full-year operating results. The Group has continued to develop in-depth presence in the fluorosilicone chemical industry, benefiting from its comprehensive industrial chain, leading R&D capabilities, and extensive industry experience. Leveraging these advantages, the Group will remain focused on the development of the fluorosilicone chemical industry, strive to deliver good results, and reward investors for their long-standing trust and support.

## Financial Review

### *Results Highlights*

For the six months ended 30 June 2026, the Group recorded a revenue of approximately RMB8,059,974,000, representing an increase of 7.99% over RMB7,463,394,000 of the corresponding period last year. Gross profit margin increased to 37.18% (corresponding period of 2025: 29.11%) and the consolidated segment results margin* was 24.48% (corresponding period of 2025: 19.08%). Operating results margin** was 24.45% (corresponding period of 2025: 19.00%). During the period under review, the Group recorded profit before tax of approximately RMB1,978,900,000 (corresponding period of 2025: RMB1,422,483,000), and net profit of approximately RMB1,634,012,000 (corresponding period of 2025: RMB1,056,888,000), while total comprehensive income for the period was approximately RMB1,612,472,000 (corresponding period of 2025: RMB1,151,185,000). The unaudited consolidated results of the Group have been reviewed by the Audit Committee of the Company and the external auditor.

* Consolidated Segment Results Margin = Consolidated Segment Results ÷ Revenue × 100%

** Operating Results Margin = (Profit before Tax + Finance Costs – Share of Results of Associates) ÷ Revenue × 100%

### *Segment Revenue and Operating Results*

Set out below is the comparison, by reportable and operating segments, of the Group's revenue and segment results for the six months ended 30 June 2026 and the six months ended 30 June 2025:

| Reportable and Operating Segments | **For the six months ended 30 June 2026** Revenue *RMB'000* | Results *RMB'000* | Segment Results Margin | For the six months ended 30 June 2025 Revenue *RMB'000* | Results *RMB'000* | Segment Results Margin |
|---|---|---|---|---|---|---|
| Fluoropolymer | **2,140,549** | **438,573** | **20.49%** | 1,939,795 | 259,195 | 13.36% |
| Organic silicone | **2,613,418** | **235,806** | **9.02%** | 2,319,120 | 8,750 | 0.38% |
| Refrigerants | **2,568,534** | **1,246,014** | **48.51%** | 2,292,067 | 1,029,831 | 44.93% |
| Dichloromethane and liquid alkali | **465,765** | **59,603** | **12.80%** | 636,444 | 213,693 | 33.58% |
| Others | **271,708** | **(7,231)** | **(2.66%)** | 275,968 | (87,219) | (31.60%) |
| Total | **8,059,974** | **1,972,765** | **24.48%** | 7,463,394 | 1,424,250 | 19.08% |

*Analysis of Revenue and Operating Results*

During the period under review, market conditions in the fluorosilicone chemical industry were favourable, and the prices of the principal products of the Company's three segments, namely fluoropolymer, refrigerants and organic silicone, all increased to varying degrees. As a result, the external sales revenue and segment results of the three segments all increased.

*Fluoropolymers*

During the period under review, external sales of fluoropolymers segment were approximately RMB2,140,549,000, representing a year-on-year increase of 10.35% (the first half of 2025: RMB1,939,795,000), accounting for 26.56% (the first half of 2025: 25.99%) of the Group's total external sales. The segment recorded a profit of RMB438,573,000, representing an increase of 69.21% as compared to a profit of RMB259,195,000 in the same period of the previous year.

During the review period, downstream industries such as AI, semiconductors, and new energy experienced rapid development, leading to a recovery in market demand for this segment and a year-on-year increase in product prices. As a result, both the segment's external sales revenue and segment results improved.

The Group relies on internally supplied R22 for the production of TFE (a fluorocarbon), which is used by the Group to manufacture polymers products such as PTFE (a synthetic fluoropolymer with high level of resistance to temperature changes, electrical insulation, aging and chemical resistant. PTFE is used as a coating material and can also be further processed into high-end fine chemicals, which can be widely applied in chemicals, construction, electrical and electronics and automotive industries) and HFP (an important organic fluorochemical monomer, which can be used to produce various fine chemicals). Furthermore, the refrigerants segment of the Group supplied R22 and R142b as the raw materials for the production of various downstream fluoropolymer fine chemicals including FEP (modified materials of PTFE, produced with HFP added in TFE, mainly used in the lining for wire insulation layer, thin-walled tube, heat shrinkable tubes, pumps, valves and pipes), FKM (fluorine rubber, a specialized fluorinated material, which is mainly used in the fields of aerospace, automotive, machinery and petro-chemistry due to its superior mechanical property, excellent oil, chemical and heat resistance), PVDF (fluorocarbon made through aggregation of VDF produced with R142b, mainly used as a fluorine coating resin, fluorinated powder coating resin and lithium battery electrode binding material) and VDF.

### *Refrigerants*

During the period under review, the refrigerants segment's external sales increased by 12.06% from RMB2,292,067,000 in the previous year to RMB2,568,534,000, accounting for 31.87% (first half of 2025: 30.71%) of the Group's total external sales. The segment recorded a profit of RMB1,246,014,000, representing a year-on-year increase of 20.99% (first half of 2025: profit of RMB1,029,831,000).

During the period under review, higher prices for the major products of the refrigerant segment, including R32 and R410a, were the principal drivers of growth in the segment's external sales revenue and segment results. The increase in the prices of the segment's products during the period was mainly related to quota restrictions.

R22 is one of the major second-generation refrigerants used in household appliances. Besides, R22 has become one of the key raw materials for the production of fluoropolymers (i.e. PTFE, HFP and other downstream fluorinated chemicals) and R125. R125, R32 and R410 (a mixture of R125 and R32) are the currently market available mainstream third-generation refrigerants used to replace R22. They are widely used in inverter air conditioners and other green household appliances. R134a is broadly used in the coolant and air-conditioning systems in automobiles, while R152a is another key refrigerant product of the Group which can also be used as blowing agents, aerosols and cleaning agents, as well as for the production of R142b. Apart from the fact that R142b can be used as refrigerant, temperature controller medium, and intermediate for aviation propellants, R142b is also a key raw material for the production of PVDF.

### *Organic Silicon*

During the period under review, external sales of the organic silicon segment increased by 12.69% to RMB2,613,418,000, from RMB2,319,120,000 in the previous year, accounting for 32.42% (first half of 2025: 31.07%) of the Group's total external sales. The segment recorded a profit of RMB235,806,000, representing an increase of 2,594.93% as compared with a profit of RMB8,750,000 for the corresponding period of last year.

During the period under review, prices of the organic silicon industry's major products increased as market conditions and the industry supply-demand balance improved. In addition, the segment continued to advance refined management and identify internal efficiency improvement, maintaining stable production operations and effectively controlling costs and expenses, thereby further strengthening its profitability.

This segment primarily produces the organic silicon intermediate DMC (upstream organic silicon intermediates that are used as raw materials to produce deep processed mid-stream and downstream silicon products, such as silicon oils, silicon rubber and silicon resins), and further processes and sells 107 Silicon Rubber, Raw Vulcanizate and Gross Rubber (collectively referred to as "Silicon Rubbers", deep-processed organic silicon rubber products, where Raw Vulcanizate is a key material for producing Gross Rubber), and other by-products and high-end downstream products, such as Gaseous Silica and Silicon Oils. Organic Silicon is often referred to as the "Industrial MSG", and is widely applied in military, aviation, automotive, electronic, construction and other industries, primarily in the form of additives, treatment chemicals stabilisers, lubricants and sealants and is a key ingredient in industrial processes. The Group initially produces silicon monomers with silicon powder and self-supplied chloromethane and further processes them to become silicon intermediates (primarily DMC), with which the Group produces for Silicon Rubbers and other organic silicon products. The Group can also produce and generate other by-products and high-end downstream products, such as Gaseous Silica and Silicon Oils, through their production processes.

***Dichloromethane and Liquid Alkali***

During the period under review, the segment's external sales decreased by 26.82% from RMB636,444,000 in the previous year to RMB465,765,000, accounting for 5.78% (the first half of 2025: 8.53%) of the Group's total external sales. The results of the segment recorded a profit of RMB59,603,000, representing a year-on-year decrease of 72.11% (the first half of 2025: profit of RMB213,693,000).

Products in this segment constitute bulk chemical commodities, and their prices fluctuate with market conditions. During the period under review, prices of the segment's products experienced a significant decline due to the overall domestic and international market environment, resulting in a corresponding decrease in the segment's performance.

This segment comprises revenue from the production and sales of the two principal ancillary products (dichloromethane and liquid alkali) of the Refrigerants Segment of the Group. Liquid alkali is a basic chemical product used in the production of methane chloride (essential chemical for the production of refrigerants and organic silicon products). It is also used in the textile, power and materials industries. Methane chloride includes dichloromethane, which is mainly used to produce antibiotics and as a foaming mode for polyurethane.

### *Others*

During the period under review, external sales of the segment were RMB271,708,000, representing a decrease of 1.54% as compared with RMB275,968,000 in the previous year. The results of the segment recorded a loss of RMB7,231,000 (the first half of 2025: a loss of RMB87,219,000).

This segment included the production and sales of other by-products from the Group's operating segments, such as Ammonium Bifluoride, Hydrofluoric Acid and Bromine.

### *Distribution and Selling Expenses*

During the period, distribution and selling expenses increased by 4.25% to RMB221,680,000 from RMB212,644,000 of the corresponding period last year.

### *Administrative and Other Expenses*

During the period, administrative expenses increased by 49.35% to RMB487,723,000 from RMB326,574,000 of the corresponding period last year, which was mainly attributable to the impairment of certain assets.

### *Finance Costs*

During the period, finance costs decreased by 58.96% to RMB641,000 from RMB1,562,000 of the corresponding period last year, which was mainly attributable to the decrease in the balance of borrowings as compared with the corresponding period (i.e., as at 30 June 2025).

### *Capital Expenditure*

For the six months ended 30 June 2026, the Group's capital expenditure was approximately RMB854,619,000 (six months ended 30 June 2025: RMB688,779,000). The Group's capital expenditure was mainly allocated to new project construction, land acquisition and equipment procurement.

### *Liquidity and Financial Resources*

The Group maintained a sound financial position, supported by effective working capital management and strong operating cash flows. As at 30 June 2026, the Group reported total equity of RMB21,413,210,000, representing an increase of 6.19% compared with 31 December 2025. As at 30 June 2026, the Group reported bank balances and cash of RMB6,067,007,000 (31 December 2025: RMB5,005,398,000). During the period under review, the Group recorded a total of RMB2,088,004,000 (six months ended 30 June 2025: RMB1,505,486,000) net cash inflow from its operating activities. Current ratio, calculated as current assets divided by current liabilities of the Group as at 30 June 2026 was 2.90 (31 December 2025: 3.27).

Taking into account the aforesaid figures, together with available bank balances and cash, unutilised standby banking credit facilities, support from these banks, as well as sufficient operating cash flow, the management is confident that the Group has adequate resources to repay any debts and fund its operating and capital expenditure requirements.

***Capital Structure***

As at 30 June 2026, the Group's total borrowings amounted to RMB1,800,000 (31 December 2025: RMB1,800,000). The Group had a net cash* position of RMB6,065,207,000, compared with RMB5,003,598,000 as at 31 December 2025. The net cash-to-equity ratio, calculated as net cash divided by total equity, was 28.32% as at 30 June 2026, compared with 24.81% as at 31 December 2025.

* Net cash = bank balances and cash – total borrowings

There was no change in the issued share capital of the Company during the period under review. The number of issued shares of the Company remained at 1,732,711,637 as at 30 June 2026.

***Group Structure***

During the period under review, the Group recorded no material changes in the Group's structure.

***Charge on Assets***

As at 30 June 2026, the Group's bank deposits of RMB304,277,000 (31 December 2025: RMB14,744,000) and bill receivables of RMB626,850,000 (31 December 2025: RMB163,353,000 ) were used to secure bills payable, respectively.

***Exposure to Fluctuations in Exchange Rates and Related Hedges***

The Group's functional currency is RMB with most of the transactions settled in RMB. However, foreign currencies (primarily the United States dollar) were received/paid when the Group earned revenue from overseas customers; and settled purchases of machinery and equipment from the overseas suppliers.

To reduce the risk of holding foreign currencies, the Group generally converts foreign currencies into RMB upon receipt, after taking into account its expected foreign currencies payment schedule in the near future.

### *Employees*

The Group employed 6,309 employees in total as at 30 June 2026 (31 December 2025: 6,377) (among which, 5,486 were male and 823 were female). The Group's remuneration and bonus policies are determined based on the performance of both the Group and its employees. In addition, the Group provides benefits such as social insurance and pension schemes to ensure that its overall remuneration remains competitive in the market.

### *Interim Dividend*

The board (the "**Board**") of the directors (the "**Director(s)**") of the Company did not declare the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

## 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") contained in Appendix C3 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the six months ended 30 June 2026 and all Directors confirmed that they have fully complied with the relevant requirements set out in the Model Code during the period.

## Audit Committee

The Audit Committee was established by the Board with written terms of reference in accordance with Appendix C1 to the Listing Rules. The existing Audit Committee comprises Mr. Ting Leung Huel, Stephen (Chairman), Mr. Yang Xiaoyong, and Mr. Ma Zhizhong, all being independent non-executive Directors.

The Audit Committee, the management of the Company and external auditors had on 17 August 2026 reviewed the accounting standards and practices adopted by the Group and discussed matters regarding internal control and financial reporting including the review of the Group's interim results for the six months ended 30 June 2026, which have been reviewed by the Group's external auditors, before proposing them to the Board for approval.

**Remuneration Committee**

The Remuneration Committee by the Board with written terms of reference to consider for the remuneration of Directors and senior management of the Company and other related matters. The Remuneration Committee comprises Mr. Yang Xiaoyong (Chairman) and Mr. Ting Leung Huel, Stephen, who are independent non-executive Directors, and Mr. Zhang Jianhong who is an executive Director.

**Nomination Committee**

The Nomination Committee was established by the Board with written terms of reference on 18 March 2012 and is responsible for selecting or making recommendations to the Board on the selection of individuals nominated for directorships and other related matters. Mr. Zhang Jianhong was appointed as the chairman of the Nomination Committee and Ms. Chung Tak Lai, Mr. Ting Leung Huel, Stephen, Mr. Yang Xiaoyong and Mr. Ma Zhizhong were appointed as the members of the Nomination Committee.

**Corporate Governance Committee**

The Corporate Governance Committee was established by the Board with written terms of reference with effect from 21 March 2013 and is responsible for the corporate governance of the Company and other related matters. Mr. Zhang Jianhong was appointed as the chairman of the Corporate Governance Committee and Mr. Wang Weidong and Mr. Zhang Zhefeng were appointed as members of the Corporate Governance Committee.

**Risk Management Committee**

The Risk Management Committee was established by the Board with written term of reference with effect from 13 August 2015 and is responsible for the risk management of the Company and other related matters. Mr. Ting Leung Huel, Stephen was appointed as the chairman of the Risk Management Committee, Mr. Yang Xiaoyong and Mr. Ma Zhizhong were appointed as members of the Risk Management Committee.

**Risk Management and Internal Control**

The Board is responsible for assessing and determining the nature and extent of the risks that the Group is willing to accept in reaching its strategic objectives and to ensure that the Group has established and maintained appropriate and effective risk management and internal control systems. The Board has supervised the management's design, implementation and monitoring of risk management and internal control systems. The Board acknowledges its overall responsibility for the Group's risk management and internal control systems and will continue to monitor them and review, at least annually, the effectiveness of the systems of the Company and its principal subsidiaries.

## Compliance with the Corporate Governance Code

Throughout the six months ended 30 June 2026, save as disclosed below, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules, except for Code Provision A.2.1.

### *Code Provision A.2.1*

Code Provision A.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhang Jianhong is both the Chairman and Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same position provides the Group with stronger and more consistent leadership and allows for more effective planning. Further, the Board considers that this structure will not impair the balance of power, which has been closely monitored by the Board, which comprises experienced and high caliber individuals. The Board has full confidence in Mr. Zhang and believes that the current arrangement is beneficial to the business prospect of the Group.

## Purchase, sale or redemption of the Company's listed securities

During the six months ended 30 June 2026, Hong Kong Tai Li International Trading Co., Ltd, a wholly-owned subsidiary of the Company, as the trustee, sold on the Stock Exchange a total of 22,266,000 shares of the Company (held for the purpose of the employee option scheme of the Company, which was terminated on 27 September 2024), at a total consideration of approximately HK$328 million. As at 30 June 2026, no share was still held by the trustee under the terminated employee option scheme.

Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

## ANNOUNCEMENT OF INTERIM RESULTS AND PUBLICATION OF INTERIM REPORT

This interim results announcement is published on the Company's website at www.dongyuechem.com and the website of the Stock Exchange at www.hkexnews.hk. The Company's interim report for the six months ended 30 June 2026 will also be available at the websites of the Company and the Stock Exchange and will be dispatched to shareholders of the Company before the end of September 2026.

By Order of the Board
**Dongyue Group Limited**
**Zhang Jianhong**
*Chairman*

The People's Republic of China, 20 August 2026

*As at the date of this announcement, the Board comprises Mr. Zhang Jianhong, Mr. Wang Weidong, Mr. Zhang Zhefeng and Ms. Chung Tak Lai as executive directors, and Mr. Ting Leung Huel, Stephen, Mr. Yang Xiaoyong and Mr. Ma Zhizhong as independent non-executive directors.*