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Jiangsu Innovative Ecological New Materials Limited

江蘇創新環保新材料有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2116)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

The board (the “**Board**”) of directors (the “**Directors**”) of Jiangsu Innovative Ecological New Materials Limited (the “**Company**”) is pleased to announce the unaudited interim results (the “**Interim Results**”) of the Company and its subsidiaries (the “**Group**”, “**we**”, “**us**” or “**our**”) for the six months ended 30 June 2026 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2025. The Board and the audit committee of the Company (the “**Audit Committee**”) have reviewed and confirmed the Interim Results.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the six months ended 30 June 2026 – unaudited**(Expressed in Renminbi Yuan)*

		Six months ended 30 June	
	<i>Note</i>	2026	2025
		RMB'000	RMB'000
Revenue	3	84,919	87,650
Cost of sales		<u>(63,909)</u>	<u>(62,765)</u>
Gross profit		21,010	24,885
Other income		1,545	2,356
Sales and marketing expenses		(4,579)	(5,349)
General and administrative expenses		(4,453)	(4,880)
Research and development expenses	4	<u>(4,073)</u>	<u>(4,579)</u>
Profit before operations and taxation	4	9,450	12,433
Income tax	5	<u>(2,155)</u>	<u>(2,616)</u>
Profit for the period		<u>7,295</u>	<u>9,817</u>
Earnings per share	6		
Basic and diluted (<i>RMB cents</i>)		<u>1.52</u>	<u>2.05</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 – unaudited

(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	7,295	9,817
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	(3,607)	(1,479)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Chinese Mainland	2,163	875
Other comprehensive income for the period	(1,444)	(604)
Total comprehensive income for the period	5,851	9,213

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026

(Expressed in Renminbi Yuan)

		At 30 June 2026 (Unaudited) RMB'000	At 31 December 2025 (Audited) RMB'000
	Note		
Non-current assets			
Property, plant and equipment	7	35,459	38,120
Right-of-use assets		2,654	2,704
		38,113	40,824
Current assets			
Inventories		48,353	33,607
Trade and other receivables	8	73,226	75,783
Prepayments		126	1,002
Restricted bank deposits		1,818	2,068
Bank deposits with original maturity over three months		19,000	15,000
Cash and cash equivalents		104,844	114,566
		247,367	242,026
Current liabilities			
Trade and other payables	9	28,445	31,911
Income tax payable		3,012	3,530
		31,457	35,441
Net current assets		215,910	206,585
Total assets less current liabilities		254,023	247,409
Non-current liability			
Deferred tax liabilities		5,916	5,153
		5,916	5,153
NET ASSETS		248,107	242,256
CAPITAL AND RESERVES			
Share capital		3,873	3,873
Reserves		244,234	238,383
TOTAL EQUITY		248,107	242,256

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

1 BASIS OF PRESENTATION

Jiangsu Innovative Ecological New Materials Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 July 2017 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 March 2018 (the “**Listing**”). The Group is principally engaged in the development, manufacture and sale of oil refining agents and fuel additives that are applied to reduce undesirable emissions.

The interim results set out in the announcement do not constitute the interim report for the six months ended 30 June 2026, but are extracted from the report.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 26 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group’s financial statements:

- Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: Disclosures
– Amendments to the classification and measurement of financial instruments

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE

(a) Disaggregation of revenue

(i) *Disaggregation of revenue from contracts with customers by major product lines*

Revenue from contracts with customers within the scope of HKFRS 15

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Sales of oil refining agents	50,646	53,118
Sales of fuel additives	24,091	27,402
Others	10,182	7,130
Total	<u>84,919</u>	<u>87,650</u>

All revenue was recognised at a point in time under HKFRS 15.

(ii) *Disaggregation of revenue from contracts with customers by geographical area*

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of revenue is based on the customers' location. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of right-of-use assets. During the six months ended 30 June 2026, substantially all specified non-current assets were physically located in the People's Republic of China (the "PRC").

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Chinese Mainland	84,314	86,453
Other countries and regions	605	1,197
Total	<u>84,919</u>	<u>87,650</u>

(b) Segment reporting

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's most senior executive management for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sale of oil refining agents and fuel additives.

4 PROFIT BEFORE OPERATIONS AND TAXATION

Profit before operations and taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Depreciation of right-of-use assets	50	51
Depreciation of property, plant and equipment	2,682	2,759
Research and development expenses (other than depreciation)	3,647	4,046
Reversal of impairment losses of trade receivables	(346)	(1,080)
Write-down of inventories	—	22
	<u> </u>	<u> </u>

5 INCOME TAX

Income tax in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current tax:		
Provision for current income tax for the period	1,042	1,460
Under-provision in respect of prior years	350	197
	<u> </u>	<u> </u>
	1,392	1,657
Deferred tax:		
Origination and reversal of temporary differences	763	959
	<u> </u>	<u> </u>
	<u>2,155</u>	<u>2,616</u>

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (ii) The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at 16.5% of the estimated assessable profits. Payments of dividends by Hong Kong companies are not subject to any withholding tax.
- (iii) The Company's subsidiary, Jiangsu Chuangxin Petrochemical Co., Ltd. ("**Jiangsu Chuangxin**") is subject to the PRC corporate income tax rate of 25%. According to the PRC Corporate Income Tax Law and its relevant regulations, entities that are qualified as High and New Technology Enterprise under the tax law are entitled to a preferential income tax rate of 15%. Jiangsu Chuangxin renewed the qualification of High and New Technology Enterprise on 6 November 2023 with an effective period of three years from 2023 to 2025, and therefore it was entitled to the preferential income tax rate of 15%.

Jiangsu Chuangxin is currently applying for an extension of such preferential income tax treatment for another three years from 2026 to 2028. The directors of the Company believe that Jiangsu Chuangxin will continue to enjoy such preferential tax rate of 15% for another three years pursuant to the current applicable PRC tax laws and regulations.

- (iv) Under the PRC Corporate Income Tax Law and its relevant regulations, additional tax deduction is allowed for qualified research and development costs.

6 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the six months ended 30 June 2026 of RMB7,295,000 (six months ended 30 June 2025: RMB9,817,000) and 480,000,000 ordinary shares (six months ended 30 June 2025: 480,000,000 ordinary shares) in issue during the period.

There were no dilutive potential ordinary shares for the six months ended 30 June 2026 and 2025, therefore, diluted earnings per share are equivalent to basic earnings per share.

7 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2026, acquisitions of property, plant and equipment amounted to RMB21,000 (six months ended 30 June 2025: RMB267,000). No property, plant and equipment were disposed of during the six months ended 30 June 2025 and 2026.

8 TRADE AND OTHER RECEIVABLES

As at the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 3 months	54,575	58,336
After 3 months but within 6 months	2,297	3,467
After 6 months but within 1 year	3,270	2,752
After 1 year but within 2 years	5	–
Trade receivables, net of loss allowance	60,147	64,555
Bills receivable (<i>note (a)</i>)	9,600	8,050
Other receivables	3,479	3,178
Trade and other receivables, net	<u>73,226</u>	<u>75,783</u>

All of the trade and other receivables, including deposits and prepayments, are expected to be recovered or recognised as expense within one year.

(a) Bills receivable

Bills receivable represent short-term bank and commercial acceptance notes receivable that entitle the Group to receive the full-face amount from banks and issuers at maturity, which generally ranges from 3 to 6 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable. The Group from time to time endorses bills receivable to suppliers as part of the treasury management.

As at 30 June 2026, the Group endorsed undue bills receivable of RMB348,000 (31 December 2025: RMB3,928,640) to its suppliers to settle trade payables of the same amount and derecognised these bills receivable and payables to suppliers in their entirety from the statement of financial position as the Group's management considered that the risks and rewards of ownership of these undue bills have been substantially transferred.

As at 30 June 2026, the Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB348,000 (31 December 2025: RMB3,928,640).

9 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2026 <i>RMB'000</i>	At 31 December 2025 <i>RMB'000</i>
Within 3 months	12,916	18,476
Over 3 months but within 6 months	4,042	226
Over 6 months but within 1 year	–	136
Over 1 year	–	4
Total trade payables	16,958	18,842
Other payables and accruals	11,487	13,069
Trade and other payables	<u>28,445</u>	<u>31,911</u>

All trade payables are expected to be settled within one year.

10 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

The Directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period:

	Six months ended 30 June 2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$ nil per ordinary share (six months ended 30 June 2025: HK\$0.01 per ordinary share)	–	4,428

MANAGEMENT DISCUSSION AND ANALYSIS

We are principally engaged in the development, manufacture and sale of oil refining agents and fuel additives that are primarily applied to reduce undesirable emissions and comply with the evolving regulatory requirements.

Industry Overview

The PRC's national vehicle emission standards are improving continuously year by year. In February 2026, the director of the Atmospheric Environment Department of the Ministry of Ecology and Environment stated at a regular press conference that the formulation of the National VII Emission Standard would be accelerated. The Beijing-Tianjin-Hebei region, the Yangtze River Delta region and the Pearl River Delta region had already started piloting the National VII Emission Standard since June 2025. The National VII Emission Standard will no longer focus solely on traditional pollutant emissions control; instead, it will shift from merely paying attention to exhaust emissions to dual control of pollutants and greenhouse gases, and will strengthen the monitoring and control of emissions in real scenarios. In terms of emission limits, this National VII Standard will be even more stringent. It is expected that the emission limits for pollutants such as nitrogen oxides (NO_x), particulate matter (PM) and ammonia (NH_3) will be significantly reduced.

Along with the improvement of emission standards, the PRC is stepping up its supervision of vehicle emissions and improving its regulatory measures. Since the full implementation of the Standard B of the PRC National VI Emission Standard, both the central and local governments have been further expanding and strengthening the supervision on vehicle exhaust emissions. To strictly enforce compliance with vehicle emission standards, 9 government agencies, including the Ministry of Ecology and Environment, jointly issued Environmental Law Enforcement Document No. [2025] 34, "Opinions on Further Optimizing Environmental Supervision & Regulation of Motor Vehicles" on 2 May 2025, which effectively strengthened the regulation and control of vehicle emissions.

In addition, the scope of supervision and regulation is expanding from on-road vehicles to off-road mobile machinery. On 12 June 2026 and 21 July 2026, respectively, the General Office of the PRC's Ministry of Ecology and Environment issued a notice soliciting public comments on the draft national ecological and environmental standard "Emission Limits and Measurement Methods for Pollutants from Off-Road Mobile Machinery and Their Engines (China Stage V) (Consultation Draft)" and a letter soliciting public comments on the "Notice on Optimizing the Supervision of Emission Compliance for Newly Manufactured Motor Vehicles and Off-Road Mobile Machinery (Consultation Draft)" respectively, with the aim of strengthening the control of pollutant emissions from off-road mobile machinery and optimizing the full-chain regulatory system for ensuring emission compliance of newly manufactured motor vehicles and off-road mobile machinery. Going forward, the regulation on off-road mobile machinery (excavators, loaders, forklifts, and agricultural machinery, etc.) is expected to be formally aligned with that of motor vehicles and uniformly incorporated into a single regulatory framework. This will lay the regulatory groundwork for the full implementation of the National V emission standard for off-road mobile machinery.

The formulation and increasingly stringent implementation of the aforementioned new standards, along with the expanding scope of emission regulation and the intensifying regulatory supervision, are expected to drive the use of higher-quality fuel oils in the PRC's motor vehicles and off-road mobile machinery, thereby continuing to support the demands for the Group's existing products in the PRC market.

On the other hand, under the guidance of the PRC government policy to strictly control the expansion of new oil refining capacity, there have been relatively few domestic large-scale oil refining projects newly put into operation in recent years. The integrated refining and petrochemicals complex of Huajin Aramco Petrochemical Company (HAPCO) is expected to start production in the second half year of 2026, which is likely to be the only new oil-refining project with annual processing capacity over 10 million tons to be put into operation this year in the PRC.

At the same time, new-energy vehicles continue to encroach on the market shares of fuel-oil vehicles. According to data from the China Association of Automobile Manufacturers, in the first half year of 2026, production and sales of new-energy vehicles increased by 6.7% and 7.3%, respectively, compared to that of the same period last year, thereby further driving down gasoline and diesel consumption by fuel-oil vehicles, leading to lower operating rate of oil refining units, as a result, the domestic production of both gasoline and diesel declined in the first half year of 2026. According to a recent indicative announcement by China Petroleum & Chemical Corporation, in the first half year of 2026, its gasoline and diesel production declined by 2% and 3.3%, respectively, compared to that of the same period last year.

It is expected that during the 15th Five-Year Plan* (“十五五規劃”) period (2026 to 2030) of the PRC, the PRC government will continue to control the total processing capacity of crude oil, further promote the optimization of the refining industry structure, and steadfastly advance the “Less oil and more chemicals and specialties”* (“減油增化增特”) strategy, aiming to a transition from the traditional refined-oil production towards the manufacture of raw materials for high-end chemicals and specialty materials, with a focus on achieving breakthroughs in key core technologies for high-end polyolefins, special engineering plastics, electronic chemicals and new energy materials, thereby enhancing domestic production rates. It is predicted that by 2030, the annual oil refining capacity of the PRC will be approximately 920 million tons, slightly decreasing by about 20 million tons compared to that of 2025.

The aforementioned policies and market situation of the PRC will have a long-term impact on the demand for some of our existing products. However, the PRC Government’s support policies for new-energy vehicles may gradually be weakened in the future. In fact, since 1 January 2026, the purchase tax of the PRC for new energy vehicles has been changed from exemption to halving. At the same time, the “Less oil and more chemicals and specialties” development trend of the oil processing industry of the PRC also opens up the possibility and potential for the Group to research, develop and manufacture processing agents and additives required by refining enterprises for producing chemical materials such as ethylene, polyolefins and other high-end chemical new materials.

From a global perspective, the short-term reality is almost the opposite of the situation in the PRC. The conflict in the Middle East involving the United States, Israel and Iran, as well as the ongoing conflict between Russia and Ukraine, have caused shortage of crude oil supply and damage of some refineries in Russia and the Middle East, leading to a tightness of fuel oil supply in the world market. As a result, the operating rate of the refining industry in Europe and the United States rose in the first half year of 2026, and the refining profit margins for gasoline and diesel also increased simultaneously. The long-term trend on a global scale also differs from that of the PRC. In the Asia-Pacific region excluding China, refining capacity and demand for refined oils are still on the rise. For instance, according to the International Energy Agency, by 2030, India’s refining capacity will increase by another 15%. European and North American countries have adjusted their policies on new energy vehicles in recent years, slowing down the pace of automotive electrification. In 2025, the US Government issued a series of policies to support the development of traditional fuel vehicle industry. According to the “2026 World Oil Outlook” report released by OPEC on 18 June 2026, which forecasts that the global oil demand is expected to rise from an average of 105 million barrels per day in 2025 to 113 million barrels per day in 2030, and further increase to 124 million barrels per day by 2050. Therefore, from a global point of view, the refining industry still has long-term prospects for existence and development.

Taking into account the aforesaid circumstances and trends comprehensively, we believe that our existing oil refining agents and fuel additives will still have long-term and continuous market demand, and in particular, the overseas markets have long-term growth potential. At the same time, we have broad potential opportunities in the exploration and development of processing agents and additives required by chemical material production plants. In fact, in recent years, the Group has developed a few ethylene processing agents, which have either passed customer trials or been listed as qualified product for procurement by our major customers.

Business Overview

Due to the continuous efforts of the Group in customer base diversification in recent years, more and more large-scale private oil refining and chemical enterprises have become our long-term customers. At the same time, we have continued achieving good results in the public bidding processes for annual centralized procurement programmes of state-owned group customers, therefore, the number of state-owned users of our products has also increased. With policies of the PRC restricting the expansion of oil refining capacity, there have been relatively few domestic large-scale oil refining projects newly put into operation in the past year. The integrated refining and petrochemicals complex of Huajin Aramco Petrochemical Company is expected to be the only new domestic oil-refining project with annual processing capacity over 10 million tons to be put into operation in 2026. In the first half year of 2026, new-energy vehicles continued to encroach on the market shares of fuel-oil vehicles in the PRC, thereby further driving down gasoline and diesel consumption by fuel-oil vehicles, leading to lower operating rate of oil refining plants, as a result, the domestic production of both gasoline and diesel declined comparing with the same period of last year, which has affected the demands for our products from the domestic market.

To cope with the unfavorable situation, the Group adopted a strategy of strengthening sales force and gaining sales at lower profit margin, striving to maintain our product sales volume and occupy the market, consequently the average selling price of our products slightly decreased. In terms of direct export sales, due to the ongoing civil war in Sudan where our major overseas customers are located, our direct export sales remained sluggish and even declined compared with the same period of last year. In view of the sluggish direct exports, the Group has been actively cooperating with exporting traders in recent years to obtain more overseas end-users, which has expanded our indirect export sales channels and enhanced the influence of our brand in the overseas markets. In the first half year of 2026, the Group once again successfully obtained an overseas end-user through cooperating with a domestic trading company. In the first half year of 2026, the Group continued doing some raw material trading business, but the profit margin was relatively low.

In terms of costs, due to the significant escalation of the conflict in the Middle East involving the United States, Israel and Iran since the end of February 2026, the export of crude oil from the Middle East has been hindered, leading to the increase in the price of crude oil in the global market. The spillover effect of this situation has caused an increase in the prices of some of our raw materials.

As a result of the above factors, the Group recorded a total revenue of approximately RMB84.9 million in the first half year of 2026 (the first half year of 2025: approximately RMB87.7 million), representing a decrease of approximately 3.1% as compared with the same period of last year, and a total net profit of approximately RMB7.3 million (the first half year of 2025: approximately RMB9.8 million), representing a decrease of approximately 25.7% as compared with the same period of last year.

In the first half year of 2026, the Group's ongoing research & development efforts continued to yield abundant fruits, with 4 new national invention patent rights granted to us, and further in July and August, the Group obtained 2 more national invention patent rights, which further strengthens our competitiveness in the market of oil refining agents and fuel additives. In addition, apart from the yellow-oil inhibitor for ethylene processing that had previously passed customer trials, the Group's newly developed corrosion inhibitor for ethylene processing units has been qualified in the annual bidding for PetroChina's procurement, marking a substantial step forward in the Group's research, development and production of processing agents for chemical materials.

The Group continues to participate actively in the formulation of industry and national standards. In February 2026, The PRC's State Administration for Market Regulation and National Standardization Administration Committee jointly released the consultation draft of a national standard titled "Application and Evaluation of Corrosion Inhibitors in Oil and Gas Fields"* (《油氣田緩蝕劑的應用和評價》) for public comments, the formulation of which was organised by the China Corrosion Control Technology Association and participated by the Group.

In the first half year of 2026, the Group continued perfecting and enhancing its safety and environmental management. While further adding to our efforts to conserve energy, reduce consumption and cut emissions, the Group established a bulletin board for the "Six Management Principles of Work Safety" ("grid-based management, professionalism, digitalization, full-staff involvement, materialization and handbook guidance"), compiled a "Plant Area Risk Matrix," printed a "Handbook of Typical Accident Cases in Chemical Enterprises", and posted a card specifying "Safety Responsibilities, Major Risks, and Emergency Response Measures" beside each production position.

Compliance with Key Regulatory Requirements

The following table summarizes the key statutory requirements and our compliance status for the Reporting Period:

Key requirements

According to the Measures for the Implementation of the Licenses for the Safe Use of Hazardous Chemicals* (危險化學品安全使用許可證實施辦法), chemical enterprises (other than manufacturing enterprises of hazardous chemicals) which use hazardous chemicals in product ion shall obtain the License for the Safe Use of Hazardous Chemicals* (危險化學品安全使用許可證) if the amount of their use of hazardous chemicals has reached the stipulated quantity of hazardous chemicals.

According to the Measures for the Administration of Licenses for Trading in Hazardous Chemicals* (危險化學品經營許可證管理辦法), enterprises which are carrying out the trading of hazardous chemicals without the License for Trading in Hazardous Chemicals* (危險化學品經營許可證) may be ordered by the production safety administrative authorities to cease their business activities.

According to the Ordinance for the Administration of Pollutant Discharge* (排污許可管理條例), enterprises and other production operators (pollutant discharging units) who are under the administration of pollutant discharge regulations, shall apply for a pollutant discharge license in accordance with the provisions of this ordinance, otherwise, they are not allowed to discharge pollutants.

Compliance status

Aiming at better health, safety and environment performance, our Group has cut the quantity of hazardous chemicals used and is no longer required to obtain the said license following the evaluation by a professional organization and the registration with the related government authority in 2020. For the Reporting Period, our Group has satisfied the conditions for exemption of obtaining the said license.

Our Group has complied with such requirement for the Reporting Period.

Our Group has complied with such requirement for the Reporting Period

Future Plan and Prospects

In view of the current international and domestic economic situation, industry development trend and government policies, also taking into account our practical conditions, the Group will adopt the following strategies and plans for its sustainable growth and development:

- By constantly strengthening the collaboration between relevant departments of the Group, continue to improve and optimize the production process, reduce the consumption of raw materials and energy, and further enhance production efficiency, product quality and safety management level. At the same time, to address the growing complexity of geopolitical situations and military conflicts that affect the supply and pricing of raw and auxiliary materials, we will further optimize our procurement and supplier management, improve our purchasing skills and responsiveness to market changes, and dynamically adjust and optimize our inventory level, so as to lower our product costs.
- Through the continuous efforts of our research, development and technical teams and the cooperation with research institutions and universities, develop more new or better production processes and products of refining oil agents and fuel additives with lower costs, and meanwhile, obtain more national invention patent rights. This will lay a more solid foundation for the future development of the Group and the protection of our intellectual property rights.
- While continuing to enhance our abilities in bidding for the procurement of our existing customers, we will further intensify our efforts in customer and business diversification. We will continuously follow the progress of the construction of new refining plants (including gasoline and diesel plants, ethylene plants, polyolefin plants, etc.) in the PRC and overseas, seizing every business opportunity as early as possible. At the same time, we will collaborate with more multinational chemical enterprises, and international and domestic import and export traders in diversified markets and product ranges, so as to add to the sales channels of our products in both domestic and international markets, and expand the market influence of the Group's brands.

- In view of the ongoing megatrend of “Less oil and more chemicals and specialties” of the domestic oil refining industry, the Group has developed a few processing agents for the production of ethylene. Going forward, we will continue to actively collaborate with research institutions and universities to develop more processing agents and additives required by oil refineries for the production of chemical materials such as ethylene and polyolefin and other high-end new chemical materials. At the same time, we will actively promote the sale of our existing ethylene processing agents to potential customers.
- We will continue to actively participate in the discussion, drafting and formulation of industry and national standards, contributing our share to the standardization construction of the PRC in respect of energy conservation, consumption reduction, emission reduction and environment protection, etc. At the same time, the Group will pay full attention to the risks and opportunities brought about by climate change, proactively promote advanced and applicable clean production technologies and logistic modes, and continue to explore the path of green, low-carbon and intelligent development, so as to ensure the long-term sustainable development of the Group.
- Based on the current status of our Yixing Plant being identified by the relevant government department as “Specialized, Refined and Innovative Small or Medium-Sized Enterprise of Jiangsu Province”, we will further improve our innovation capacity, professional ability, position in the industry and the degree of refinement of products, so that our Yixing Plant may be further identified as national “Specialized, Refined and Innovative Small or Medium-Sized Enterprise” (or “Little Giant Enterprise”), so as to be entitled to more government support in our future development.
- Based on the foundation that our Yixing Plant has been awarded the title of “Green Factory of Jiangsu Province”, we will continue to improve and enhance in areas such as energy conservation, consumption reduction, environmental protection, sustainable development, etc., aiming to have our Yixing Plant entitled national-level “Green Factory”, thereby laying a more solid foundation for the green development of the group.

Financial Overview

Revenue

Our revenue has decreased by 3.1% from RMB87.7 million for the six months ended 30 June 2025 to RMB84.9 million for the Reporting Period. The following table sets forth our revenue by products and business type for the periods indicated:

	For the six months ended 30	
	June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of oil refining agents	50,646	53,118
Sales of fuel additives	24,091	27,402
Other business	10,182	7,130
Total revenue	84,919	87,650

Revenue derived from oil refining agents decreased from RMB53.1 million for the six months ended 30 June 2025 to RMB50.6 million for the Reporting Period, which was mainly due to the decrease in the average selling price and the sales volume of oil refining agents in the first half year of 2026 comparing with the same period of last year; due to the same cause, the revenue derived from fuel additives decreased from RMB27.4 million for the six months ended 30 June 2025 to RMB24.1 million for the Reporting Period. The revenue derived from other business (raw material trading) increased from RMB7.1 million for the six months ended 30 June 2025 to RMB10.2 million for the Reporting Period.

We sold the majority of our products to customers in the PRC. The following table sets forth our revenue by geographical location for the periods indicated:

	For the six months ended	
	30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Chinese Mainland	84,314	86,453
Other countries and regions	605	1,197
Total revenue	<u>84,919</u>	<u>87,650</u>

The revenue derived from the PRC market has decreased from RMB86.5 million for the six months ended 30 June 2025 to RMB84.3 million for the Reporting Period, which was mainly due to the decrease in the average selling price and the sales volume of our products in the PRC market in the first half year of 2026 comparing with the same period of last year. The revenue derived from the other countries and regions decreased from RMB1.2 million for the six months ended 30 June 2025 to RMB0.6 million for the Reporting Period, which was mainly due to the decrease in our direct export sales volume in the first half year of 2026 comparing with the same period of last year.

Cost of sales

Our cost of sales has increased from RMB62.8 million for the six months ended 30 June 2025 to RMB63.9 million for the Reporting Period. The following table sets forth our cost of sales by products and business type for the periods indicated:

	For the six months ended	
	30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Oil refining agents	37,591	38,540
Fuel additives	16,177	17,851
Other business	10,141	6,374
Total cost of sales	<u>63,909</u>	<u>62,765</u>

The cost of sales of oil refining agents has decreased from RMB38.5 million for the six months ended 30 June 2025 to RMB37.6 million for the Reporting Period, which was mainly due to the decrease in the sales volume of our oil refining agents. The cost of sales of fuel additives has decreased from RMB17.9 million for the six months ended 30 June 2025 to RMB16.2 million for the Reporting Period, which was mainly due to the decrease in the sales volume of our fuel additives. The cost of other business (raw material trading) increased from RMB6.4 million for the six months ended 30 June 2025 to RMB10.1 million for the Reporting Period, which was mainly due to the increase in the volume of our other business.

Gross profit

For the six months ended 30 June 2025 and 2026, our gross profit amounted to RMB24.9 million and RMB21.0 million, respectively. Our gross profit margin was 28.4% and 24.7%, respectively, for the same periods. The table below sets forth our gross profit by products and business type for the periods indicated:

	For the six months ended	
	30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Oil refining agents	13,055	14,578
Fuel additives	7,914	9,551
Other business	41	756
Total gross profit	<u>21,010</u>	<u>24,885</u>

Our gross profit of oil refining agents has decreased from RMB14.6 million for the six months ended 30 June 2025 to RMB13.1million for the Reporting Period, which was mainly due to the decrease in both the sales volume and average selling price of our oil refining agents. Our gross profit margin of oil refining agents has decreased from 27.4% to 25.8% for the same periods, which was mainly due to the decrease in the average selling price of our oil refining agents and the increase of the purchase prices of some raw materials for oil refining agents. Our gross profit of fuel additives has decreased from RMB9.6 million for the six months ended 30 June 2025 to RMB7.9 million for the Reporting Period, which was mainly due to the decrease in both the sales volume and average selling price of our fuel additives. Our gross profit margin of fuel additives has decreased from 34.9% to 32.9% for the same periods, which was mainly due to decrease in the average selling price of our fuel additives and the increase of the purchase price of the main raw material for fuel additives. The gross profit of other business (raw material trading) has decreased from RMB0.76 million for the six months ended 30 June 2025 to RMB0.04 million for the Reporting Period and its gross profit margin decreased from 10.6% to 0.4% correspondingly, which was mainly due to the market price fluctuation of this raw material, affecting the profit margin.

Other income

Our other income has decreased from RMB2.4 million for the six months ended 30 June 2025 to RMB1.5 million for the Reporting Period, which was mainly due to the decrease in interest from bank deposits.

Income tax expense

Our income tax expense for the six months ended 30 June 2025 and 2026 was RMB2.6 million and RMB2.2 million, respectively. The decrease in income tax expense was mainly due to the decrease in our profit before taxation.

For the six months ended 30 June 2025 and 2026, our effective tax rate for the same periods were 21.0% and 22.8%, respectively.

Profit for the period

As a result of the foregoing, our profit has decreased by 25.7% from RMB9.8 million for the six months ended 30 June 2025 to RMB7.3 million for the Reporting Period, which was mainly due to the decrease in our total gross profit.

Liquidity, Financial Resources and Capital structure

We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimal liquidity that can meet our working capital requirements.

The Company's shares (the “**Shares**”) became listed (the “**Listing**”) on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 March 2018 (the “**Listing Date**”) with net proceeds from the Listing of approximately HK\$110.7 million (after deducting underwriting commissions and other estimated expenses in connection with the Listing) (the “**Net Proceeds**”).

We financed our operations primarily by the existing cash and cash equivalents, the Net Proceeds from the Listing and the cash flows from operations. Taking into account the financial resources that are available to us, our Directors believe that our current cash and cash equivalents, together with the expected cash flows from operations, will be sufficient to satisfy our current requirements and able to fulfill our business obligations.

Selected items of the consolidated statement of financial position

Cash and cash equivalents

Cash and cash equivalents primarily consist of our cash at banks and on hand. We had cash and cash equivalents of RMB114.6 million and RMB104.8 million as of 31 December 2025 and 30 June 2026 respectively, representing a decrease of 8.5%.

Trade and other receivables

Our trade receivables primarily represent the credit sales of our products to be paid by our customers. Our bills receivable represent short-term bank and commercial acceptance notes receivable that entitle our Group to receive the full-face amount from banks or customers at maturity, which generally ranges from three to six months from the date of issuance.

Our total trade and other receivables decreased from RMB75.8 million as of 31 December 2025 to RMB73.2 million as of 30 June 2026, which was mainly due to the decrease of trade receivables.

Credit periods and trade receivables

We set credit periods ranging from 30 to 120 days for our PRC customers, calculated from the dates that our invoices are issued. As most of our customers are affiliates of three state-owned conglomerates, they generally have longer payment periods, which our Directors believe is due to longer internal approval processes. We employ a favorable credit policy towards our customers due to their scale and financial strength. We did not have any material bad debts during the Reporting Period.

To manage our credit risk, we have a credit policy in place and the exposures to our credit risks are monitored on an ongoing basis. Our senior management team will perform individual credit evaluations on all customers, taking into account information specific to the customer and the economic environment in which the customer operates.

Trade and other payables

Our trade and other payables primarily consist of trade payables from purchases of raw materials from our suppliers, other payables and accruals. Our other payables and accruals mainly include salary payments, payments for social insurance and housing provident funds, payments for tax and payments to third-party logistics providers.

Our trade and other payables decreased from RMB31.9 million as of 31 December 2025 to RMB28.4 million as of 30 June 2026, which was mainly due to our faster settlement and payment during the Reporting Period. All trade payables are expected to be settled within one year.

Gearing Ratio

Our gearing ratio which is calculated by total borrowings divided by total assets was both nil as of 31 December 2025 and 30 June 2026, as the Group did not have any borrowings.

Contingent liabilities, guarantees and litigation

As of 30 June 2026, the Group had no contingent liabilities, guarantees or litigation.

Capital expenditures and Commitment

For the Reporting Period, our capital expenditures were spent on purchase of property, plant and equipment. The following table sets forth our capital expenditures for the periods indicated:

	For the six months ended	
	30 June	
	2026	2025
	RMB'000	RMB'000
Purchase of property, plant and equipment	<u>21</u>	<u>267</u>
Total capital expenditures	<u>21</u>	<u>267</u>

The Group did not have any capital commitments outstanding at 31 December 2025 and 30 June 2026 not provided in the financial statements.

Off-balance sheet arrangements

During the Reporting Period, the Group did not have any off-balance sheet arrangements.

Significant Investments Held and Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any significant investments or any acquisitions and disposals of subsidiaries, associates and joint ventures. Other than bank loans and repurchase financing which we may consider, we do not expect to have any plan for material acquisition and disposals of subsidiaries, associates and joint ventures in the short term as at the date of this announcement.

USE OF THE NET PROCEEDS FROM THE LISTING

The Shares were listed on the main board of Stock Exchange on 28 March 2018 with the Net Proceeds received by the Company from the Listing of approximately HK\$110.7 million. The intended use of the Net Proceeds will be used in a manner consistent with that disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 19 March 2018.

The Company has revised the expected timeline for the full utilization of the remaining Net Proceeds of approximately HK\$52.1 million. The remaining balance of the Net Proceeds, consisting approximately HK\$23.8 million intended for the upgrading of the Yixing plant and approximately HK\$28.3 million for the construction of high-purity oleic acid production facilities, is expected to be fully utilized by 30 June 2028.

There has been no change in the intended use of the Net Proceeds since the Listing Date, yet due to the following factors that have affected or will probably affect our operating results, for the best interest of the Company and its shareholders, we have slowed down the progress of our original plan on the intended use of the Net Proceeds, in order to mitigate the risk of excess production capacity and ensure that the intended results from the use of the Net Proceeds can be achieved. As a result, we have only completed part of the investment in the projects for upgrading our Yixing plant and building production facilities for the manufacturing of an important raw material, high-purity oleic acid, which have been put into commercial production and achieved certain effects.

1. The impact of a chemical incident towards the Company’s expansion

On 21 March 2019, a major explosion occurred in a chemical plant in Jiangsu Province, the PRC, which caused 78 deaths and more than 600 injuries. After the accident, the local safety administration department has tightened its scrutiny on approving the production of new chemical products and the expansion of chemical plants. Additionally, there has also been a general regulatory shift towards a more conservative attitude regarding expansion of industrial plants within the region. This change in the local regulatory sentiment has caused difficulties and challenges for the Company in utilizing the Net Proceeds for building and expanding production facilities for our products as well as high-purity oleic acid as the major raw material for our most important fuel additive, lubricity improver.

2. The instability and suspension in the business from Sudan

Prior to the Listing, the Sudan business had contributed a considerable part of the revenue and profits of the Company. After the Listing, the Sudan business declined and fluctuated due to various causes, in particular to the turbulent political environment. In April 2023, a big-scale civil war broke out in Sudan, which led to the complete suspension of the operation of our Sudan customers, since then, we had not generated any revenue from our Sudan business, and up to the date of this announcement, it remains uncertain when this civil war will end, and we foresee the possibility of a long-term suspension or even termination of our Sudan business.

In view of the frequent unrests and political uncertainty of Sudan and the current United States-Israel war with Iran, the Company has elected to adopt a prudent and conservative approach, exercising caution in the utilization of the Net Proceeds towards the expansion of our production facilities and capacity, so as to mitigate the risk of excess production capacity.

3. The development of electric vehicles

With the support of the government and favorable policies in place, the sales of new energy vehicles in the PRC have grown quickly in the past several years and new energy vehicles have occupied a considerable share of the new vehicle market in the PRC. According to data released by the China Association of Automobile Manufacturers, during the year 2025, the domestic sales of new energy vehicles increased by 19.8% compared to the previous year and the proportion of new energy vehicles in the total domestic new vehicle sales exceeded 50% for the first time, and in the first half year of 2026, the production and sales of new-energy vehicles further increased respectively by 6.7% and 7.3%. It is likely that the market share of new energy vehicles will continue to grow, further encroaching on the market share of fuel-powered vehicles.

The rapid development of the new energy vehicle industry in the PRC has impacted and will continue to impact the consumption and demand of fuel oil, thereby slowing down the growth of the market demand for oil processing agents and fuel additives, which are the Company's major products. As a result, the Company adopted a cautious approach by delaying its investment in expanding the current production capacity. As high-purity oleic acid is the main raw material for the production of lubricity improver, which is our most important fuel additive used in diesel fuel vehicles, the fast development of the new energy vehicle industry makes the Company take a cautious approach in building production facilities for manufacturing high-purity oleic acid, too.

4. The “Producing less fuel oil and more chemicals” trend of the domestic oil refining industry

In October 2021, the president of China Federation of Industrial Economics proposed that the production of fuel oil should be reduced and the chemical industry structure of China should be adjusted. Since 2021, the trend of “Producing less fuel oil and more chemicals” in the domestic oil refining industry has become increasingly prominent in the PRC. In 2022, the Guiding Opinions on Promoting High-Quality Development of the Petrochemical and Chemical Industry during the 14th Five-Year Plan Period* (《關於「十四五」推動石化化工行業高品質發展的指導意見》) was issued by the Ministry of Industry and Information Technology and the National Development and Reform Commission along with four other ministries to promote refining and production practices aimed at reducing the output of refined oil products and increasing the production of chemical products to extend the petrochemical industry chain. Consequently, almost all the oil refining projects newly built in the past 5 years in the PRC are integrated refining and chemical projects, and the PRC government no longer approved oil refining projects producing only fuel oils, as a result, during the past 5 years, the total output of gasoline and diesel of the PRC grew slower than before and even decreased since 2023.

These developments in the oil refining industry of the PRC have adverse impact on the market demands for our major products, oil processing agents and fuel additives, therefore, the Company has been prudent during the past years in the use of the Net Proceeds for further expanding our production capacity of oil refining agents and high-purity oleic acid as a major raw material for fuel additives.

5. The international political unrest in recent years

Over the past few years, the geopolitical landscape has evolved rapidly. The deteriorating US-China relations, the ongoing Russian-Ukraine war and the escalating Middle East conflict involving the United States, Israel and Iran have had serious implications for the oil refining industry. In 2023, a coup d’état took place in Niger, where one of our long-term foreign customers is located. Although the unrest in Niger ended after a few months with the establishment of a new government, our business in Niger has become less stable than before due to the coup d’état and the unpredictable attitude of the new Niger government toward Niger enterprises with Chinese investment and Chinese suppliers.

As the oil industry is sensitive to political stability, the Company's results of operations may be affected by the spillover effects of these geopolitical developments. Now that a tariff war between the United States and other countries, including the PRC has started since April 2025, the global geopolitical and economic environment is becoming more volatile and unpredictable.

The increasingly unstable geopolitical landscape is another factor that the Company considered in delaying its utilization of the Net Proceeds, in addition, maintaining sufficient cash in our bank accounts will enable the Company to better respond to risks, challenges and opportunities possibly coming.

The Board will continue to follow closely the developments of the civil war in Sudan, the international political and economic situations, and the ongoing conflict involving the United States, Israel and Iran, the advancements in the domestic and international electric vehicle markets, the development trend of the domestic oil refining industry and the possible changes in local safety regulatory sentiment, and at the same time, explore the possibility of manufacturing processing agents and additives for oil refineries to produce plastic materials like ethylene and resin and also study the possibility of developing chemical business in non-oil-refining industries, making use of our high-purity oleic acid production facilities and technologies. The Board will accelerate the investment of the remaining balance of the Net Proceeds at the right time, so as to finally reach the desired production capacity and realise the intended results.

For more details, please refer to the Company's announcement dated 6 March 2026 with the title "Revision of the Expected Time for Completing the Utilization of the Net Proceeds".

Since the Listing Date and up to 30 June 2026, the utilization of the Net Proceeds and remaining balance (approximately HK\$52.1 million) are set out below:

Purposes	Allocation on pro-rata basis	Amount actually used from the Listing Date to 30 June 2026	Amount unutilised brought forward as of 31 December 2025	Amount utilised during the Reporting Period	Balance of amount unutilised as of 30 June 2026
To upgrade our Yixing plant by purchasing new sets of machinery, equipment and analytical instruments	Approximately HK\$42.8 million (approximately 39%)	Approximately HK\$19.0 million	Approximately HK\$23.8 million	–	Approximately HK\$23.8 million
To build production facilities for the manufacturing of a lower-cost raw material substitute, high-purity oleic acid, for the production of lubricity improvers	Approximately HK\$53.9 million (approximately 49%)	Approximately HK\$25.6 million	Approximately HK\$28.3 million	–	Approximately HK\$28.3 million
General business operations and working capital	Approximately HK\$8.8 million (approximately 8%)	Approximately HK\$8.8 million	–	–	–
To repay bank borrowings	Approximately HK\$5.2 million (approximately 4%)	Approximately HK\$5.2 million	–	–	–
Total	Approximately HK\$110.7 million (100%)	Approximately HK\$58.6 million	Approximately HK\$52.1 million	Approximately HK\$0 million	Approximately HK\$52.1 million

* *The remaining balance of the Net Proceeds is expected to be used up by 30 June 2028. Should the Board find it necessary to further revise the expected time for completing the utilization of the Net Proceeds or to change the expected use of the remaining balance of the Net Proceeds, the company will promptly disclose such information to the shareholders for the compliance with the relevant requirements under the Listing Rules.*

EMPLOYMENT AND EMOLUMENTS

As of 30 June 2026, our Group had 57 employees. All of our employees are based in the PRC. Our employees' remuneration has been paid in accordance with relevant laws and regulations in the PRC. Appropriate salaries and bonuses were paid with reference to the actual practices of the Company. Other corresponding benefits include pension scheme, unemployment insurance and housing allowance, etc.

CORPORATE GOVERNANCE

Our Group is committed to maintaining high standards of corporate governance to protect the interests of our shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. During the Reporting Period, the Company has fully complied with all the applicable code provisions set out in the CG Code except for the following deviation from provision C.2.1 of part 2 of the CG Code:

According to provision C.2.1 of part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ge Xiaojun (“**Mr. Ge**”) is the chairman of the Board and the chief executive officer of the Company. The Board is of the view that vesting the roles of both chairman and chief executive officer in Mr. Ge has the benefit of providing consistent and continuous planning and execution of our Group's strategies. The Board also believes that the current arrangement is in the interest of the Company and its shareholders as a whole. The Board will continue to review the effectiveness of the corporate governance structure of the Group from time to time, in order to assess whether separation of the roles of the chairman and chief executive officer is deemed necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its rules governing dealings by the Directors in the listed securities of the Company. During the Reporting Period, having made specific enquiry to each Director, all Directors have confirmed that they have fully complied with the required standards set out in the Model Code.

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including any sale or transfer of treasury shares (as defined under the Listing Rules)).

The Company did not have any treasury shares (as defined under the Listing Rules) as at 30 June 2026 and as at the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

There are no significant subsequent events after the Reporting Period and up to the date of this announcement.

INTERIM DIVIDEND

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

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed and discussed with the management of the Company in relation to the accounting principles and practices adopted by the Company, the internal controls and financial report matters, and the Company's policies and practices on corporate governance, and is of the view that the Interim Results are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made. The Group's interim financial information for the Reporting Period has not been audited or reviewed by the Company's independent auditors, but have been reviewed by the Audit Committee, which comprises three independent non-executive Directors.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The Interim Results announcement of the Company is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jscxsh.cn). The interim report of the Company for the Reporting Period will be available on the same websites and dispatched to the shareholders of the Company who requested printed copies before the end of September 2026 as required under the Listing Rules.

By Order of the Board
Jiangsu Innovative Ecological New Materials Limited
Ge Xiaojun
Chairman and Chief Executive Officer

Hong Kong, 26 August 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Ge Xiaojun, Ms. Gu Jufang, Mr. Huang Lei, Mr. Jiang Caijun and Mr. Fan Yaqiang; the non-executive Director of the Company is Mr. Gu Yao; and the independent non-executive Directors of the Company are Mr. Fan Peng, Mr. Guan Dongtao and Ms. Wu Yan.

* *For identification purpose only*