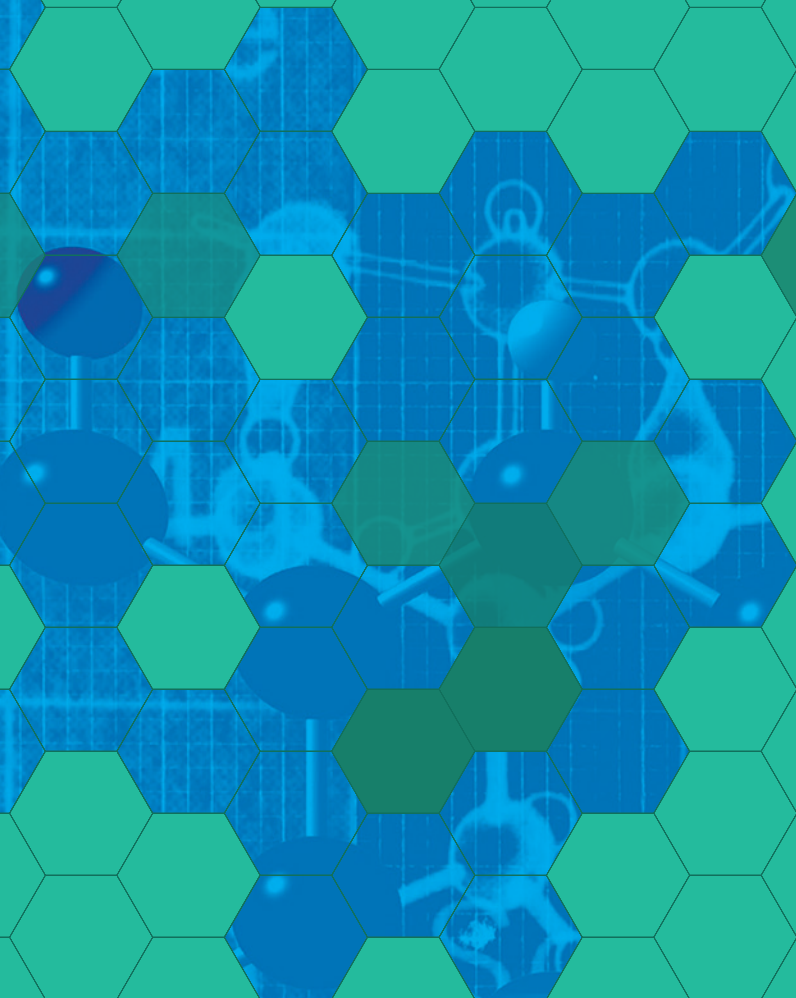

INTERIM REPORT 2026

CHANGMAO BIOCHEMICAL ENGINEERING COMPANY LIMITED

常茂生物化學工程股份有限公司

(A Joint Stock Limited Company Incorporated In The People's Republic Of China)

(Stock Code: 954)

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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – Unaudited

		For the six months ended 30 June	
		2026	2025
	Note	**RMB'000**	RMB'000
Revenue	5	**289,547**	272,278
Cost of sales		**(247,006)**	(259,127)
Gross profit		**42,541**	13,151
Other income	6	**3,462**	3,282
Other (losses)/gains, net	7	**(2,317)**	496
Selling expenses		**(4,544)**	(4,396)
Administrative expenses		**(33,279)**	(32,018)
Reversal of impairment losses on financial assets		**145**	–
Operating profit/(loss)		**6,008**	(19,485)
Finance income		**300**	289
Finance costs		**(9,454)**	(6,043)
Finance costs, net	8	**(9,154)**	(5,754)
Loss before income tax	9	**(3,146)**	(25,239)
Income tax expense	10	**(1,947)**	(748)
Loss for the period		**(5,093)**	(25,987)
Loss for the period attributable to:			
Shareholders of the Company		**(4,932)**	(25,790)
Non-controlling interests		**(161)**	(197)
		(5,093)	(25,987)
Other comprehensive loss			
Item that may be reclassified to profit or loss			
– currency translation difference		**(3)**	–
Total comprehensive loss for the period		**(5,096)**	(25,987)
Total comprehensive loss for the period attributable to:			
Shareholders of the Company		**(4,935)**	(25,790)
Non-controlling interests		**(161)**	(197)
		(5,096)	(25,987)
Loss per share for loss attributable to shareholders of the Company			
– basic and diluted	11	**RMB(0.009)**	RMB(0.049)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2026 – Unaudited

	Note	30 June 2026 RMB'000	31 December 2025 RMB'000
ASSETS			
Non-current assets			
Patents	13	**278**	373
Property, plant and equipment	14	**682,383**	707,414
Construction in progress	14	**113,649**	90,676
Right-of-use assets	14	**86,786**	88,270
Investment properties	14	**2,887**	3,066
Deferred income tax assets		**353**	–
Prepayment		**7,414**	6,648
Other non-current assets		**12,224**	12,224
		905,974	908,671
Current assets			
Inventories		**116,688**	110,355
Trade and bills receivables	15	**64,814**	75,488
Other receivables, deposits and prepayments		**8,831**	12,968
Income tax recoverable		**781**	443
Financial assets at fair value through other comprehensive income		**2,722**	3,648
Cash and bank balances	16	**36,799**	68,152
		230,635	271,054
Total assets		**1,136,609**	1,179,725

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Note	30 June 2026 RMB'000	31 December 2025 RMB'000
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital	17	**52,970**	52,970
Reserves	18	**458,778**	463,713
		511,748	516,683
Non-controlling interests		**(675)**	(514)
Total equity		**511,073**	516,169
LIABILITIES			
Non-current liabilities			
Deferred income		**53,145**	54,779
Lease liabilities		**–**	224
Deferred income tax liabilities		**640**	743
Loans from shareholders		**10,500**	10,500
Borrowings	19	**41,913**	49,821
		106,198	116,067
Current liabilities			
Trade payables	20	**32,740**	25,989
Contracted liabilities, other payables and accruals		**50,254**	42,972
Lease liabilities		**876**	885
Borrowings	19	**435,468**	477,643
		519,338	547,489
Total liabilities		**625,536**	663,556
Total equity and liabilities		**1,136,609**	1,179,725

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – Unaudited

	Attributable to shareholders of the Company					
	Share capital	**Other reserves**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	52,970	191,424	339,052	583,446	(107)	583,339
Loss for the period	–	–	(25,790)	(25,790)	(197)	(25,987)
Others	–	1,360	(1,360)	–	–	–
Balance at 30 June 2025	52,970	192,784	311,902	557,656	(304)	557,352
Balance at 1 January 2026	**52,970**	**192,199**	**271,514**	**516,683**	**(514)**	**516,169**
Loss for the period	**–**	**–**	**(4,932)**	**(4,932)**	**(161)**	**(5,093)**
Other comprehensive loss – currency translation difference	**–**	**(3)**	**–**	**(3)**	**–**	**(3)**
Others	**–**	**(369)**	**369**	**–**	**–**	**–**
Balance at 30 June 2026	**52,970**	**191,827**	**266,951**	**511,748**	**(675)**	**511,073**

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026 – Unaudited

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	**55,214**	25,424
Interest paid	**(9,477)**	(10,133)
Income tax (paid)/received	**(2,741)**	72
Net cash generated from operating activities	**42,996**	15,363
Cash flows from investing activities		
Purchase of property, plant and equipment	**(50)**	(172)
Proceeds from disposal of property, plant and equipment	**16**	–
Payment for construction in progress	**(29,635)**	(1,262)
Interest received	**299**	289
Investment income received	**5**	15
Net cash used in investing activities	**(29,365)**	(1,130)
Cash flows from financing activities		
Principal elements of lease payments	**(210)**	(256)
Proceeds from bank borrowings	**222,841**	131,400
Repayment of bank borrowings	**(260,982)**	(144,960)
Repayment of other borrowings	**(6,486)**	–
Net cash used in financing activities	**(44,837)**	(13,816)
Net (decrease)/increase in cash and cash equivalents	**(31,206)**	417
Effect of foreign exchange rate changes	**(147)**	201
Cash and cash equivalents at 1 January	**68,152**	57,963
Cash and cash equivalents at 30 June	**36,799**	58,581

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Changmao Biochemical Engineering Company Limited is a joint stock limited company incorporated in the PRC. The Company listed its H shares on GEM of the Stock Exchange on 28 June 2002 and the listing of its H shares was transferred to the Main Board of the Stock Exchange on 28 June 2013. The principal activities of the Group are the production and sale of organic acid products.

The address of the Company's registered office is No.1228 Chang Jiang Bei Road, New North Zone, Changzhou City, Jiangsu Province, 213034, the PRC.

These condensed consolidated interim financial statements are presented in Renminbi, unless otherwise stated.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information has been prepared in accordance with applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial statements should be read in conjunction with the 2025 Financial Statements.

This condensed consolidated interim financial information was approved for issue on 18 August 2026. This condensed consolidated interim financial information has not been audited.

The accounting policies used in preparing the condensed consolidated interim financial statements are consistent with those used in the 2025 Financial Statements. Other New HKFRSs which have become effective in this period have no material impact on the accounting policies in the Group's condensed consolidated interim financial statements for the period.

Going concern basis

For the six months ended 30 June 2026, the Group incurred a net loss of RMB5,093,000. As of that date, the Group's current liabilities exceeded its current assets by RMB288,703,000 and the total bank and other borrowings amounted to RMB477,381,000, of which RMB435,468,000 was current bank and other borrowings, while the Group's cash and bank balances amounted to RMB36,799,000.

As disclosed in the Company's result announcement and annual report for the year ended 31 December 2025, one of the Group's subsidiaries (the "Subsidiary") did not meet the requirements of two financial covenants with two project loans (the "Project Loans") regarding the Subsidiary's debt-to-assets ratio and operating cash flow. The principal of the Project Loans amounted to RMB169,673,000 as at 30 June 2026. Consequently, the Project Loans became immediately repayable on request by the banks. As no wavier of these covenants has been obtained from the relevant banks, the non-current portion of the Project Loans amounting to RMB86,172,000 with the original contractual repayment dates beyond 30 June 2027 were classified as current liabilities.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The above conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given due consideration to the liquidity and performance of the Group and available financing to assess whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position:

- Management of the Company discussed with the banks and the Company understood from the banks that they will not demand immediate repayment of the Project Loans if the Group repays the principals and interests thereon according to the original terms despite the non-compliance of the financial covenants. For the six months ended 30 June 2026, the Subsidiary has made repayments of RMB37,895,000 for the Project Loans in accordance with the original repayment terms. Based on the above discussion with the banks and no demand from the banks for early repayment, the Directors believe the Project Loans will continue to be advanced by the banks in accordance with the original terms of the Project Loans;

- The Group had uncommitted revolving bank facilities of RMB407,000,000 out of which approximately RMB141,967,000 was unutilized as at 30 June 2026. The Directors are of the opinion that such bank facilities will be available for drawdown as and when needed to fulfill the Group's financing requirement. The Group will also seek other alternative financing in order to settle its existing financial obligations and meet future operating needs;

- The Group has integrated the production lines of its subsidiaries to streamline the production process to reduce costs and will continue to implement cost reduction measures; and

- The Group has taken measures to monitor and control administrative costs and future capital expenditures, and will continue with measures to reduce cash outflows.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2026. In the opinion of the Directors, taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis. Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cashflows and other factors as follows:

- The banks will not demand for repayment of the Project Loans of the Subsidiary and these loans will continue to be advanced in accordance with the original terms despite that the Group may not be able to ratify the non-compliance. Apart from that, the Group can continue to comply with the terms and conditions of the bank borrowings;

- Successful and timely extension and renewal of its bank facilities and its bank borrowings, upon maturity as well as obtaining new financing from financial institutions. The Group's ability to obtain these financing depends on (1) whether the lenders of existing borrowings are agreeable to the terms and conditions for such extension or renewal; and (2) the Group's ongoing ability to comply with the relevant terms and conditions of its bank borrowings;

- Effective implementation of plans to reduce production costs through integration of product lines of its subsidiaries; and

- Successful implementation of measures to control administrative costs and future capital expenditures.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated interim financial statements.

2.1 New and amended standards

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2026. These new standards and amendments did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest rate risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

There have been no material changes in the risk management policies since year end.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION

Executive Directors are identified as the chief operating decision maker. Management has determined the operating segments based on the information reported to the executive Directors for the purposes of allocating resources and assessing performance.

The Group is engaged in the production and sale of organic acid products. Resources of the Group are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than any specific unit, and the executive Directors consider the performance assessment of the Group should be based on the results of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirement of HKFRS 8.

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
China	**236,799**	216,484
Spain	**10,195**	8,555
Denmark	**5,987**	6,892
Others	**36,566**	40,347
Revenue from sales of goods, recognised at a point in time	**289,547**	272,278

Other countries mainly include the Germany, America and Japan.

The analysis of sales revenue by geographic location is based on the country area in which the customer is located.

As at 30 June 2026, all of the Group's non-current assets (other than the deferred income tax assets) amounted to RMB905,621,000 (31 December 2025: RMB908,671,000) and are located in Mainland China.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 OTHER INCOME

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Government grants	**2,253**	2,472
Rental income from operating leases	**694**	794
Others	**515**	16
	3,462	3,282

7 OTHER (LOSSES)/GAINS, NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(5)**	10
Net exchange (losses)/gains	**(2,243)**	575
Others	**(69)**	(89)
	(2,317)	496

8 FINANCE COSTS, NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Interest on borrowings	**9,430**	9,903
Interest paid/payable for lease liabilities	**24**	22
Less: amounts capitalised on qualifying assets	**–**	(3,882)
	9,454	6,043
Interest income on bank deposits	**(300)**	(289)
Finance costs, net	**9,154**	5,754

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 LOSS BEFORE INCOME TAX

Loss before income tax is stated after charging the following:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Amortisation of patents	**95**	66
Amortisation of right-of-use assets	**1,484**	1,526
Depreciation	**26,672**	23,153

10 INCOME TAX EXPENSE

PRC CIT is provided for on the basis of the profit for statutory financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes. The Company, being qualified as a High and New Technology Enterprise ("HNTE"), is entitled to a preferential CIT rate of 15% for three years starting from 2023. Other subsidiaries of the Group in Mainland China are subject to a standard tax rate of 25%.

The amount of income tax charged to consolidated statement of comprehensive income represents:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current income tax	**2,402**	640
Deferred income tax	**(455)**	108
	1,947	748

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to results of the consolidated entities as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Loss before income tax	**(3,146)**	(25,239)
Calculated at the tax rates applicable to results of the respective consolidated entities	**(2,874)**	(7,742)
Expenses not deductible for tax purposes	**8**	15
Tax losses and time differences for which no deferred income tax asset was recognised	**6,501**	10,185
Utilisation of previously unrecognised tax losses	**(371)**	(8)
Tax incentives for research and development expenses *(Note (a))*	**(1,367)**	(1,392)
Others	**50**	(310)
Income tax expense	**1,947**	748

(a) According to relevant laws and regulations promulgated by the State Administration of Tax of the PRC effective from 2021 onwards, enterprises engaging in research and development activities are entitled to claim 200% (for the six months ended 30 June 2025: 200%) of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year ("Super Deduction"). The Group has made its best estimate for the Super Deduction to be claimed in ascertaining the assessable profits for the six months ended 30 June 2026 and 2025.

11 LOSS PER SHARE

The calculation of loss per share is based on the loss attributable to the shareholders of the Company of approximately RMB4,932,000 for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB25,790,000) and 529,700,000 shares (for the six months ended 30 June 2025: 529,700,000 shares) weighted average number of shares in issue during the period.

The Company has no dilutive potential shares in issue during the period (Corresponding period in 2025: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 DIVIDEND

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

13 PATENTS

	RMB'000
Net book value as at 1 January 2026	373
Amortisation	(95)
Net book value as at 30 June 2026	278

14 CAPITAL EXPENDITURES

	Property, plant and equipment RMB'000	**Construction in progress** RMB'000	**Right-of-use assets** RMB'000	**Investment properties** RMB'000
Net book value as at 1 January 2026	707,414	90,676	88,270	3,066
Transfer from construction in progress	1,497	(1,497)	–	–
Additions	50	24,470	–	–
Disposal	(85)	–	–	–
Depreciation/amortisation charge	(26,493)	–	(1,484)	(179)
Net book value as at 30 June 2026	682,383	113,649	86,786	2,887

As at 30 June 2026, certain borrowings (Note 19) in Changmao Dalian were secured by the property, plant and equipment of Changmao Dalian.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15 TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade receivables	**46,224**	55,522
Bills receivables	**18,590**	19,966
	64,814	75,488

(a) The credit terms of trade receivables range from 30 days to 210 days and the aging analysis which is based on the invoice date of the trade receivables is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
0 to 3 months	**42,610**	48,477
4 to 6 months	**4,477**	7,699
Over 6 months	**83**	437
	47,170	56,613
Less: Loss allowance	**(946)**	(1,091)
	46,224	55,522

(b) The maturity dates of bills receivables are normally within 6 months.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16 CASH AND BANK BALANCES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Denominated in:		
– RMB	**34,955**	60,883
– USD	**1,498**	6,988
– Hong Kong Dollars	**346**	281
	36,799	68,152

The conversion of Renminbi denominated balances into foreign currencies and the remittance of these funds out of the Mainland China is subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

17 SHARE CAPITAL

Registered, issued and fully paid

	Share capital	
	Number of shares at RMB0.10 each	**Nominal value** RMB'000
At 30 June 2026 and 31 December 2025	529,700,000	52,970

As at 30 June 2026 and 31 December 2025, the share capital of the Company comprised 2.5 million Domestic Shares, 343.5 million promoter Foreign Shares and 183.7 million H Shares. The H Shares rank pari passu with the Domestic Shares and promoter Foreign Shares in all aspects and rank equally for all dividends or distributions declared, paid or made except that all dividends in respect of H Shares are to be paid by the Company in Hong Kong dollars and H Shares may only be subscribed by legal or natural persons of Hong Kong, Macau, Taiwan or any country other than the PRC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18 RESERVES

	Share premium RMB'000	Statutory common reserve RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Special reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2025	102,559	87,233	461	7	1,164	339,052	530,476
Loss for the period	–	–	–	–	–	(25,790)	(25,790)
Others	–	–	–	–	1,360	(1,360)	–
At 30 June 2025	102,559	87,233	461	7	2,524	311,902	504,686

	Share premium RMB'000	**Statutory common reserve RMB'000**	**Capital reserve RMB'000**	**Exchange reserve RMB'000**	**Special reserves RMB'000**	**Retained earnings RMB'000**	**Total RMB'000**
At 1 January 2026	**102,559**	**87,233**	**461**	**7**	**1,939**	**271,514**	**463,713**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(4,932)**	**(4,932)**
Other comprehensive loss – currency translation difference	**–**	**–**	**–**	**(3)**	**–**	**–**	**(3)**
Others	**–**	**–**	**–**	**–**	**(369)**	**369**	**–**
At 30 June 2026	**102,559**	**87,233**	**461**	**4**	**1,570**	**266,951**	**458,778**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19 BORROWINGS

	30 June 2026 RMB'000	31 December 2025 RMB'000
Bank borrowings *(Note (i))*	**433,867**	477,464
Other borrowings *(Note (ii))*	**43,514**	50,000
	477,381	527,464

(i) Bank borrowings

	30 June 2026			31 December 2025		
	Current RMB'000	**Non-current RMB'000**	**Total RMB'000**	Current RMB'000	Non-current RMB'000	Total RMB'000
Secured bank borrowings	**169,673**	**–**	**169,673**	207,568	–	207,568
Unsecured bank borrowings	**252,194**	**12,000**	**264,194**	256,896	13,000	269,896
	421,867	**12,000**	**433,867**	464,464	13,000	477,464

As at 30 June 2026, the Group's bank borrowings are repayable as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Repayable within 1 year and	**421,867**	464,464
Between 1 and 2 years	**12,000**	13,000
	433,867	477,464

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(a) As at 30 June 2026, the secured bank borrowings are secured by the Group's land use rights in Dalian with the carrying value of RMB67,454,000 (31 December 2025: RMB68,207,000) and property, plant and equipment with carrying value of RMB75,703,000 (31 December 2025: RMB78,490,000) and guaranteed by the Company.

(b) Under the terms of the secured bank borrowings, the subsidiary of the Company, Changmao Dalian, is required to maintain a debt-to-assets ratio of not more than 60% and 70% at the end of each annual period and shall not have negative operating cash flows for two consecutive years and in any year after commencement of operation of the production lines (the "Covenants"). If Changmao Dalian fails to meet these requirements, the banks have the right to require early repayment of the secured bank borrowings at any time. The debt-to-assets ratio of Changmao Dalian exceeded 70% as at 31 December 2025, and the operating cash flow was negative for the year ended 31 December 2025 and therefore did not meet the covenant requirements. As a result, the non-current portion of the secured bank borrowings amounting to RMB86,172,000 (31 December 2025: RMB128,961,000) with the original contractual repayment dates beyond 30 June 2027 were reclassified as current liabilities. As disclosed in Note 2 to the condensed consolidated interim financial statements, management of the Company understood from the banks that they will not demand immediate repayment of the Project Loans if the Group repays the principals and interests thereon according to the original terms despite the non-compliance. The Company have accordingly considered that the repayment for these bank borrowings would follow the original repayment schedule as set out as below.

	30 June 2026 RMB'000	31 December 2025 RMB'000
Repayable within 1 year and	**83,501**	78,607
Between 1 and 2 years	**49,135**	73,425
Between 2 and 5 years	**37,037**	55,536
	169,673	207,568

Save as disclosed above, the Group has complied with other covenants of its bank borrowings during both periods presented.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(c) The bank borrowings are all denominated in RMB.

(d) As at 30 June 2026, the fair value of the non-current borrowings approximate RMB12,000,000 (31 December 2025: RMB13,000,000). The carrying amount of the Group's current borrowings approximate their fair value.

(e) As at 30 June 2026, the effective interest rate of the secured bank borrowings was 3.6% (31 December 2025: 3.6%) and the effective interest rate of the unsecured bank borrowings was 3.0% (31 December 2025: 3.0%).

(ii) Other borrowings

The Group's other borrowings arise from the liabilities under a sale and leaseback agreement signed in 2025. Under the sale and leaseback agreement, Changmao Dalian sold and leased back certain equipment at a sale price of RMB50,000,000. As at 30 June 2026, the net book value of those assets was RMB127,374,000 (31 December 2025: RMB140,420,000). Upon the expiry of the lease term, the lessor will transfer the ownership of those assets on an "as-is" basis back to Changmao Dalian with no consideration. The Company provided guarantee for the liabilities of Changmao Dalian to perform its obligations under the sale and leaseback agreement. The sale and leaseback arrangement is, in substance, a borrowing from the lessor during the lease period which is secured by certain equipment of Changmao Dalian.

As at 30 June 2026, the Group's other borrowings are repayable as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Repayable within 1 year and	**13,601**	13,179
Between 1 and 2 years	**14,486**	14,037
Between 2 and 5 years	**15,427**	22,784
	43,514	50,000

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20 TRADE PAYABLES

(a) The ageing analysis of trade payables which is based on the invoice date is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
0 to 6 months	**32,283**	25,541
7 to 12 months	**17**	9
Over 12 months	**440**	439
	32,740	25,989

(b) The maturity dates of bills payables are normally within 6 months.

21 CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, the Group did not have any material contingent liabilities.

22 COMMITMENTS

Capital commitment for property, plant and equipment of the Group are as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Contracted but not provided as liabilities	**18,562**	33,053

BUSINESS AND FINANCIAL REVIEW

BUSINESS REVIEW AND OUTLOOK

I. Half-Year Results

For the six months ended June 30, 2026, the Group achieved operating revenue of approximately RMB289,547,000, representing an increase of approximately 6.3% compared to the same period last year. The Group actively responded to changes in market demand, adjusted its product structure, expanded the production of high-margin products, and, simultaneously, the market for products from the second phase of the production line of its subsidiary, Changmao Dalian, gradually opened up, resulting in a narrowing of net losses. The Group recorded a net loss attributable to the shareholders of the Company of approximately RMB4,932,000 in the first half of the year. This represented a significant reduction of approximately 81% compared to the RMB25,790,000 in the same period last year, indicating a significant improvement in operating quality and a continued positive fundamental outlook.

The key signals of improved operations for the Group in the first half of the year were particularly positive, mainly reflected in the following aspects:

- The Group's consolidated gross profit margin rose from 4.8% to 14.7%, an improvement of nearly 10%. Adjusting the product mix proved effective and delivered a fundamental restoration of product profitability.

- In the second quarter, the Group recorded profit for the single quarter. Compared with the first quarter, performance improved significantly on a quarter-on-quarter basis. The Group's operations have entered an upward channel of improving performance quarter by quarter.

- Substantial results were achieved in reducing losses and improving efficiency across subsidiaries, particularly with Changmao Dalian, whose losses narrowed significantly.

The Group's strategy of "reducing costs and increasing efficiency, and improving quality and efficiency" has already produced tangible results. The Group's operation have shown signs of improvement, which may provide a basis for continued recovery in the second half of the year, subject to prevailing market conditions.

BUSINESS AND FINANCIAL REVIEW

II. Business Review

In the first half of 2026, the Group remained committed to centering on "economic performance," closely tracking changes in market supply and demand. It dynamically adjusted production and sales schedules, worked to serve customers with full effort, maintained steady growth in production and sales volumes of major products, and showed a clearly improving overall operating trend.

(1) Steady Production and Sales in the Core Business; Ongoing Optimization of Structure

In the first half of 2026, the main production base, the Changzhou plant, saw increases in both production volume and sales volume for its principal products. Capacity utilization for core products and order matching improved further, and the proportion of high value-added products increased.

(2) Restoration of Profitability; Improvement in Product Gross Profit Margin

Benefiting from optimization of the product mix and effective results from energy-saving retrofits, the comprehensive gross profit margin of the Changzhou main products improved compared with the same period last year. Long-term low-gross margin products turned from loss to profit, and overall profitability quality improved across the board.

(3) Accelerated Loss Reduction at Changmao Dalian; Entering a Benign Cycle

In the first half of the year, Changmao Dalian focused on high-gross margin and profit-generating products. It proactively adjusted its production plan, shifting its production focus toward profit-generating products and high-end products that replace imported ones. This successfully enabled loss-making special acid anhydride to turn from loss to profit. Through product-mix optimization, expanding high-end customer coverage, and improving product quality, Changmao Dalian's core operating indicators, including sales revenue, consolidated gross profit margin, and operating cash flow, achieved a significant leap forward with a major restoration of its profit-making fundamentals.

In terms of market development, Changmao Dalian continued to advance customer development for "import substitution," "export markets," and "high requirement global group company" customers. The number of customers grew steadily, and product certifications and pilot tests for key downstream customers progressed in an orderly manner. After relevant customers complete all certification and verification cycles, demand for bulk procurement of high-end special acid anhydride products is expected to be released in a concentrated manner, driving sustained increases in production volume and sales volume.

BUSINESS AND FINANCIAL REVIEW

(4) Coordinated Advancement of Quality and System Building, and Safety/Environmental Protection

In the first half of the year, the Group focused on product quality improvement and industrial upgrading as its main line. It continuously strengthened and improved various system-building efforts, and ensured that the concepts of safe production and green environmental protection were implemented across every post and every link. Overall energy savings and consumption-reduction results were outstanding. The Changzhou plant's comprehensive energy consumption cost decreased significantly year over year. Purchases such as steam and electricity also achieved savings. The synergy between green low-carbon initiatives and cost control reinforced each other, making the foundation for sustainable development even more solid.

III. Scientific Research and Development

In the first half of the year, the Group's research projects progressed steadily. It carried out eight research initiatives in areas including synthetic biology, chiral technologies, and pharmaceutical excipients. The Pharmaceutical Business Division and the Sales Department focused on promoting APIs (active pharmaceutical ingredients) and pharmaceutical excipients. As of 30 June 2026, the Group had arranged 11 API and pharmaceutical-excipient varieties. These include a high-end extension for use as food additive products. Among them, for eight varieties, the "co-submission/joint review and approval results with formulations" are in A status, which can be directly supplied to pharmaceutical companies for drug production. In addition, certain new pharmaceutical excipients are currently undergoing quality stability assessments.

IV. Prospects and Outlook

Looking ahead, the Group's operations have shown signs of improvement. The Group will continue to develop guided by technological innovation, remain centered on economic performance, and rely on product-chain supporting advantages to maintain its leading position in the industry. Key work will be carried out in the following areas:

- Continue to transform and upgrade, and promote the development of new-base business. The Group will fully support the development of the Dalian plant. The Dalian plant has already commenced production for its second-phase products, as well as relocation products from Lianyungang. Production conditions have improved; product quality is excellent and competitiveness is strong. In the future, it will serve as the Group's main production base for chemical products. Leveraging existing product-chain advantages and the progress of industrialization of scientific research results, the Group will extend into directions such as new materials, APIs, and new-type feed additives, creating new sources of economic benefit.

BUSINESS AND FINANCIAL REVIEW

- Accelerate technological innovation to drive product upgrades. The Group will continue to increase R&D investment, attract talent, and focus efforts on key breakthroughs to enhance the competitiveness of existing products. At the same time, relying on technological progress to accelerate R&D pace, it will push the product chain toward high-end expansion and seek new profit drivers.

- Improve safety and environmental protection performance, and strengthen risk control. With the strengthening of safety and environmental protection regulations and domestic policy-driven elimination of outdated capacity and reduction of "internal competition," non-compliant small and medium-sized enterprises will accelerate exit. Industry will increasingly concentrate on standardized and capable companies. The Group's long-term investment in safety and environmental protection will be converted into competitive advantages. The Group will continue to strengthen safety risk control, implement cleaner production, and fulfill social responsibilities, thereby building a resource-saving and environment-friendly enterprise.

- Focus on market expansion and cultivate end customers and high-end customers. The sales team will remain customer-centered, focusing on the development of large customers and end users. By improving Changmao's brand awareness and added value through excellent product quality and quality service, the Group will also continue to emphasize international market expansion. Relying on cooperation with international key customers on new products and new technologies, it will further enhance the Group's international visibility and influence.

Looking forward, opportunities and challenges coexist and that market conditions may remain uncertain. The Group will continue to produce food additives as its primary focus, strengthen the competitiveness of existing products, accelerate the commercialization and launch of new products, proactively explore new markets and new application areas, and leverage its R&D and manufacturing advantages to develop new functional food additives, new materials, APIs, and more. It will continuously extend and expand the product chain, strive to grow and strengthen itself, and strive for new achievements.

BUSINESS AND FINANCIAL REVIEW

REVIEW OF FINANCIAL STATEMENTS

The audit committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 in conjunction with the Directors.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026.

SEGMENTAL INFORMATION

Some of the Group's products are exported to Asia Pacific, Europe and America. In terms of percentage of revenue, export sales (excluding sales through import-export agents in the PRC) accounted for approximately 27.4% (for the six months ended 30 June 2025: 30.2%) of the Group's revenue while domestic sales in the PRC accounted for approximately 72.6% (for the six months ended 30 June 2025: 69.8%) of the Group's revenue for the six months ended 30 June 2026.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group mainly operates in the PRC. Substantially all of its assets, liabilities and capital expenditure were located or incurred in Mainland China. Sales are made to customers in the PRC as well as overseas customers while purchases are mainly from suppliers in the PRC. The Group is therefore exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD. Management periodically monitors foreign currency exposures and considers hedging significant foreign currency exposure should the need arises.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group had outstanding borrowings totaling RMB477,381,000 (31 December 2025: RMB527,464,000), including bank borrowings of RMB433,867,000 (31 December 2025: RMB477,464,000) and other borrowings of RMB43,514,000 (31 December 2025: RMB50,000,000).

As at 30 June 2026, the secured bank borrowings are secured by the Group's land use rights in Dalian with the carrying value of RMB67,454,000 (31 December 2025: RMB68,207,000) and property, plant and equipment with carrying value of RMB75,703,000 (31 December 2025: RMB78,490,000) and guaranteed by the Company.

BUSINESS AND FINANCIAL REVIEW

Other borrowings arose from the liabilities under a sale and leaseback agreement signed in 2025. Under the sale and leaseback agreement, Changmao Dalian sold and leased back certain equipment at a sale price of RMB50,000,000. As at 30 June 2026 the net book value of those assets was RMB127,374,000 (31 December 2025: RMB140,420,000). Upon the expiry of the lease term, the lessor will transfer the ownership of those assets on an "as-is" basis back to Changmao Dalian with no consideration. The Company provided guarantee for the liabilities of Changmao Dalian to perform its obligations under the sale and leaseback agreement. The sale and leaseback arrangement is, in substance, a borrowing from the lessor during the lease period which is secured by certain equipment of Changmao Dalian.

For details of bank and other borrowings, please refer to Note 19 to the condensed consolidated interim financial statements.

Except for the borrowings disclosed above, as at 30 June 2026 and 31 December 2025, the Group did not have any committed borrowing facilities. The Group generally finances its operations with equity fundings and bank borrowings. Excess cash held by the Group is generally placed at banks to earn interest income or invested in wealth management products with banks of low risks.

As at 30 June 2026, the Group had capital commitments for property, plant and equipment amounting to approximately RMB18,562,000 (31 December 2025: RMB33,053,000). These capital commitments are mainly used for the payment for the Changmao Dalian's production lines. The Group intends to finance the capital commitment by cash flows generated from the Group's operations and/or bank financings.

Save as disclosed above, the Group did not have any charge on its assets during the six months ended 30 June 2026. The liabilities-to-assets ratio (calculated based on total liabilities divided by total assets) was 55.0% (31 December 2025: 56.2%) as at 30 June 2026. As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB36,799,000 (31 December 2025: RMB68,152,000).

BUSINESS AND FINANCIAL REVIEW

EMPLOYEES

Including the Directors and Supervisors, as at 30 June 2026, the Group had a total of 491 staff (30 June 2025: 533). Total amount of staff costs for the six months ended 30 June 2026 was approximately RMB39,510,000 (for the six months ended 30 June 2025: RMB40,605,000). The decrease in staff cost was mainly due to the decrease in number of staff and change of employee structure. Employees are remunerated in accordance with the nature of the job and also on individual merit. The Company has formulated a staff incentive scheme under which for each of the year ending 31 December 2028, so long as the audited profits (or, where applicable, combined or consolidated profits) attributable to the shareholders (after taxation and non-controlling interest (if any) but before payment of the bonuses referred to below) amount to not less than RMB40 million (the "Target Profit"):

(a) a sum equivalents to 5% of the amount in excess of the Target Profit will be payable to Mr. Rui Xin Sheng (the Chairman) as a bonus for the relevant year;

(b) a sum equivalents to 5% of the amount in excess of the Target Profit will be payable to the general manager and all the Directors (other than Mr. Rui Xin Sheng and the independent non-executive Directors) for the time being of the Company as a bonus for the relevant year; and

(c) a sum equivalents to 5% of the amount in excess of the Target Profit will be payable as bonus to all the employees (including supervisors, but excluding the Directors and the independent supervisors) of the Company and its subsidiaries (if any) from time to time, the basis of apportionment of which will be determined by the Board at its discretion.

There was no profit-based incentive bonus for the six months ended 30 June 2026 and 2025.

SIGNIFICANT INVESTMENTS

There are no significant investments held by the Group as at 30 June 2026 and 31 December 2025.

The Group's capital commitments are set out in Note 22 to the condensed consolidated interim financial statements, which is mainly related to the capital expenditure of Changmao Dalian. Save for that, the Group has no plans for material investments or capital assets.

BUSINESS AND FINANCIAL REVIEW

CHANGES IN THE COMPOSITION OF THE GROUP DURING THE PERIOD

There was no material acquisitions and disposals of subsidiaries and affiliated companies by the Group during the six months ended 30 June 2026.

CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, the Group did not have any material contingent liabilities.

DISCLOSURE PURSUANT TO RULE 13.19 OF THE LISTING RULES

Reference is made to the announcement of the Company dated 30 March 2026 in relation to, among others, the disclosure pursuant to Rule 13.19 of the Listing Rules. The Group has two project loans (the "Project Loans") with total outstanding balance of RMB169,673,000 as at 30 June 2026 (31 December 2025: RMB207,568,000). As at 30 June 2026, one of the Group's subsidiaries (the "Subsidiary") did not meet the requirement of a financial covenant under the Project Loans regarding its debt-to-assets ratio at the end of each annual period and also did not meet another covenant requiring positive operating cash flow for two consecutive years and in any year after commencement of operation of the production lines. These non-compliances render the Project Loans immediately repayable if requested by the banks. No formal wavier of these covenants has been obtained from the banks.

Management of the Company understood from the banks that they will not demand immediate repayment of the Project Loans if the Group repays the principal and interests thereon according to the original terms despite the non-compliance of the financial covenants. For the six months ended 30 June 2026, the Subsidiary has made repayments of RMB37,895,000 for the Project Loans in accordance with the original repayment terms. Based on the discussion with the banks and no demand from the banks for early repayment, the Directors believe the Project Loans will continue to be advanced by the banks in accordance with the original terms of the Project Loans.

Further announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate or required.

BUSINESS AND FINANCIAL REVIEW

GOING CONCERN

For the six months ended 30 June 2026, the Group incurred a net loss of RMB5,093,000, as of that date, the Group's current liabilities exceeded its current assets by RMB288,703,000 and the total bank and other borrowings amounted to RMB477,381,000, of which RMB435,468,000 was current bank and other borrowings, while the Group's cash and bank balances amounted to RMB36,799,000.

Due to the reason stated in Note 2 to the condensed consolidated interim financial statements in this report, the non-current portion of the Project Loans amounting to RMB86,172,000 with the original contractual repayment dates beyond 30 June 2027 was classified as current liabilities.

All of the above conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given due consideration to the liquidity and performance of the Group and available financing to assess whether the Group will have sufficient financial resources to continue as a going concern. Plans and measures ("Plans and Measures") as set out in Note 2 to the condensed consolidated interim financial statements in this report have been taken to mitigate the liquidity pressure and to improve the Group's financial position.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2026. In the opinion of the Directors, taking into account the anticipated cash flows to be generated from the Group's operations as well as the Plans and Measures, the Group will have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2026.

Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis. Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cashflows through the Plans and Measures.

Please refer to Note 2 to the condensed consolidated interim financial statements in this report for further details.

DISCLOSURE OF INTERESTS

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS OR CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests (including interests in shares and short positions) of the Directors, the Supervisors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company or any other associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to: (a) Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them is taken or deemed to have taken under such provisions of the SFO); or (b) Section 352 of the SFO to be entered in the register referred to in that section; or (c) Appendix C3 of the Listing Rules relating to securities transactions by Directors; or (d) the Hong Kong Companies Ordinance (Cap. 622), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares:

	Capacity	Number of Domestic Shares	Approximate percentage shareholding in the Domestic Shares *(Note (g))*	Number of Foreign Shares	Approximate percentage shareholding in the Foreign Shares *(Note (h))*	Number of H Shares	Approximate percentage shareholding in the H Shares *(Note (i))*
Director							
Mr. Rui Xin Sheng ("Mr. Rui")	Beneficial owner, interest of spouse and interest of controlled corporation *(Note (a))*	2,500,000	100%	135,000,000	39.30%	12,236,000	6.66%
Ms. Leng Yi Xin ("Ms. Leng")	Beneficial owner, interest of spouse and interest of controlled corporation *(Note (b))*	2,500,000	100%	135,000,000	39.30%	12,236,000	6.66%
Mr. Pan Chun	*(Note (c))*	–	–	*(Note (c))*	*(Note (c))*	–	–
Mr. Yu Xiao Ping	Interest of spouse and interest of controlled corporation *(Note (d))*	–	–	66,000,000	19.21%	3,774,000	2.05%
Supervisor							
Ms. Zhou Rui Juan	*(Note (e))*	–	–	*(Note (e))*	*(Note (e))*	–	–
Mr. Zhang Jun Peng	*(Note (f))*	–	–	*(Note (f))*	*(Note (f))*	–	–

DISCLOSURE OF INTERESTS

Notes:

(a) Mr. Rui is the registered holder and beneficial owner of 96,500 Class "A" shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class "A" shares and 100,000 Class "B" shares. Mr. Rui is also the registered holder and beneficial owner of 70% of the registered capital of Changzhou Xinsheng, which is the registered holder and beneficial owner of 2,500,000 Domestic Shares. Mr. Rui is the beneficial owner of 12,184,000 H Shares and Ms. Leng, a Director and spouse of Mr. Rui, is the beneficial owner of 52,000 H Shares. Ms. Leng is also interested in HK Xinsheng and Changzhou Xinsheng, details of which are set out in Note (b) below.

(b) Ms. Leng is the registered holder and beneficial owner of 73,500 Class "A" shares and 53,000 Class "B" shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class "A" shares and 100,000 Class "B" shares. Ms. Leng is also the registered holder and beneficial owner of 30% of the registered capital of Changzhou Xinsheng, which is the registered holder and beneficial owner of 2,500,000 Domestic Shares. Ms. Leng is the beneficial owner of 52,000 H Shares and Mr. Rui (a Director and spouse of Ms. Leng) is the beneficial owner of 12,184,000 H Shares. Mr. Rui is also interested in HK Xinsheng and Changzhou Xinsheng, details of which are set out in Note (a) above.

(c) Mr. Pan Chun is the registered holder and beneficial owner of 2,000 Class "B" shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class "A" shares and 100,000 Class "B" shares. He is also the registered holder and beneficial owner of 200,000 shares in HK Bio, which is the registered holder and beneficial owner of 67,500,000 Foreign Shares. The total number of issued shares in HK Bio is 6,750,000 shares.

(d) Mr. Yu Xiao Ping and his spouse (who is not a Director) taken together are interested in the entire issued capital of Jomo Limited which is the registered holder and beneficial owner of 66,000,000 Foreign Shares. Mr. Yu Xiao Ping's spouse, Ms. Lam Mau, is also the beneficial owner of 3,774,000 H shares.

(e) Ms. Zhou Rui Juan is the registered holder and beneficial owner of 220,000 shares in HK Bio, which is the registered holder and beneficial owner of 67,500,000 Foreign Shares. The total number of issued shares in HK Bio is 6,750,000 shares.

(f) Mr. Zhang Jun Peng is the registered holder and beneficial owner of 800 Class "B" shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class "A" shares and 100,000 Class "B" shares. He is also the registered holder and beneficial owner of 120,000 shares in HK Bio, which is the registered holder and beneficial owner of 67,500,000 Foreign Shares. The total number of issued shares in HK Bio is 6,750,000 shares.

DISCLOSURE OF INTERESTS

(g) The percentage is calculated based on the 2,500,000 Domestic Shares in issue as at 30 June 2026.

(h) The percentage is calculated based on the 343,500,000 Foreign Shares in issue as at 30 June 2026.

(i) The percentage is calculated based on the 183,700,000 H Shares in issue at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors, Supervisors or chief executives of the Company have interests in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company or any other associated corporations (within the meaning of Part XV of the SFO) (including interests in shares and short positions) which were required to notify the Company and the Stock Exchange pursuant to: (a) Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them is taken or deemed to have taken under such provisions of the SFO); or (b) Section 352 of the SFO to be entered in the register referred to in that section; or (c) Appendix C3 of the Listing Rules relating to securities transactions by Directors; or (d) the Hong Kong Companies Ordinance (Cap. 622), to be notified to the Company and the Stock Exchange.

DISCLOSURE OF INTERESTS

PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as known to the Directors, as at 30 June 2026, the followings, not being a Director, Supervisor or chief executive of the Company, had interests or short positions in the shares or underling shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were substantial shareholders as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares:

Name of Shareholder	Capacity	Number of Foreign Shares	Approximate percentage shareholding in the Foreign Shares *(Note (e))*	Number of H Shares	Approximate percentage shareholding in the H Shares *(Note (f))*
Hong Kong Xinsheng Pioneer Investment Company Limited	Beneficial owner	135,000,000	39.30%	–	–
Hong Kong Bio-chemical Advanced Technology Investment Company Limited	Beneficial owner	67,500,000	19.65%	–	–
Jomo Limited	Beneficial owner	66,000,000	19.21%	–	–
Ms. Lam Mau	Interest of spouse, interest of controlled corporation and beneficial owner	66,000,000 *(Note (a))*	19.21%	3,774,000 *(Note (a))*	2.05%
Kehai Venture Capital (Hong Kong) Limited	Beneficial owner	62,500,000	18.20%	–	–
上海科技創業投資股份有限公司 (Shanghai S&T Investment Company Limited*, formerly 上海科技投資股份有限公司)	Interest of controlled corporation	62,500,000 *(Note (b))*	18.20%	–	–

DISCLOSURE OF INTERESTS

Name of Shareholder	Capacity	Number of Foreign Shares	Approximate percentage shareholding in the Foreign Shares *(Note (e))*	Number of H Shares	Approximate percentage shareholding in the H Shares *(Note (f))*
上海科技創業投資有限公司 (Shanghai Technology Entrepreneur Investment Company*, formerly 上海科技投資公司)	Interest of controlled corporation	62,500,000 *(Note (c))*	18.20%	–	–
上海科技創業投資(集團)有限公司 (Shanghai S&T Venture Capital (Group) Co., Ltd*)	Interest of controlled corporation	62,500,000 *(Note (d))*	18.20%	–	–

Notes:

(a) Ms. Lam Mau and her spouse, Mr. Yu Xiao Ping (who is a Director) taken together are interested in the entire issued capital of Jomo Limited which is the registered holder and beneficial owner of 66,000,000 Foreign Shares. Ms. Lam Mau is also the beneficial owner of 3,774,000 H shares.

(b) Shanghai S&T Investment Company Limited is the beneficial owner of 100% of the issued share capital of Kehai Venture Capital (Hong Kong) Limited, which is the registered holder and beneficial owner of 62,500,000 Foreign Shares.

(c) Shanghai Technology Entrepreneur Investment Company is the beneficial owner of 62.3% of the issued share capital of Shanghai S&T Investment Company Limited, which is the beneficial owner of 100% of the issued share capital of Kehai Venture Capital (Hong Kong) Limited. Kehai Venture Capital (Hong Kong) Limited is the registered holder and beneficial owner of 62,500,000 Foreign Shares.

(d) Shanghai S&T Venture Capital (Group) Co., Ltd. is the beneficial owner of 100% of the issued capital of Shanghai Technology Entrepreneur Investment Company. Shanghai Technology Entrepreneur Investment Company is the beneficial owner of 62.3% of the issued capital of Shanghai S&T Investment Company Limited, which is the beneficial owner of 100% of the issued share capital of Kehai Venture Capital (Hong Kong) Limited. Kehai Venture Capital (Hong Kong) Limited is the registered holder and beneficial owner of 62,500,000 Foreign Shares.

(e) The percentage is calculated based on the 343,500,000 Foreign Shares in issue at 30 June 2026.

(f) The percentage is calculated based on the 183,700,000 H Shares in issue at 30 June 2026.

DISCLOSURE OF INTERESTS

Save as disclosed above, as at 30 June 2026, the Directors are not aware of any person, not being a Director, Supervisor or chief executive of the Company, had interests or short positions in the shares or underling shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S RIGHT TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the period was the Company, its subsidiaries or its other associated corporation a party to any arrangement (including share option scheme) to enable the Directors, Supervisors and chief executives of the Company or any of their spouses or children under eighteen years of age to hold any interests or short position in the shares or underlying shares in or debentures of the Company or its specific undertaking or other associated corporation.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

SHARE CAPITAL STRUCTURE

As at 30 June 2026, the category of the issued shares of the Company is as follows:

	No. of Shares
H Shares *(Note (a))*	183,700,000
Domestic Shares *(Note (b))*	2,500,000
Foreign Shares *(Note (c))*	343,500,000
	529,700,000

Notes:

(a) Overseas listed foreign shares in the capital of the Company, with a RMB-denominated par value of RMB0.10 each, which were credited as fully paid up in a currency other than RMB and are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange.

(b) Ordinary shares in the capital of the Company, with a RMB-denominated par value of RMB0.10 each, which were credited as fully paid up in RMB and issued to the promoters of the Company.

(c) Ordinary shares in the capital of the Company, with a RMB-denominated par value of RMB0.10 each, which were credited as fully paid up in a currency other than RMB and issued to the promoters of the Company.

OTHER INFORMATION

The H Shares were listed on the GEM on 28 June 2002. The listing of the H Shares was subsequently transferred from GEM to the Main Board of the Stock Exchange on 28 June 2013.

Although the 到境外上市公司章程必備條款 (the Mandatory Provisions of the Articles of Association of Companies Seeking a Listing Outside the PRC) promulgated on 27 August 1994 by the Securities Commission of the State Council of the PRC and the State Commission for Restructuring the Economic System of the PRC provide for the definitions of “domestic shares”, “foreign shares” and “overseas listed foreign shares” (which definitions have been adopted in the Articles of Association of the Company), the rights attached to Foreign Shares (which are subject to certain restrictions on transfer and may become H Shares upon obtaining the requisite approvals from, among other bodies, the China Securities Regulatory Commission and the Stock Exchange) have not yet been expressly dealt with under the existing PRC laws or regulations. However, the creation by the Company and the subsistence of the Foreign Shares do not contravene any PRC laws or regulations.

At present, there are no applicable PRC laws and regulations governing the rights attached to the Foreign Shares. Jingtian & Gongcheng, the legal adviser to the Company as to PRC Law, have advised the Company that until new laws or regulations are introduced in this respect, holders of Foreign Shares shall have the same rights and obligations as those of the holders of Domestic Shares (in particular, in respect of the right to attend and vote in the general meetings and class meetings and to receive notice of such meetings in the same manner applicable to holders of Domestic Shares), except that holders of Foreign Shares shall enjoy the following rights:

(a) to receive dividends declared by the Company in foreign currencies;

(b) in the event of the winding up of the Company, to participate in the distribution of surplus assets (if any) of the Company in foreign currencies and transfer such assets out of PRC, subject however to the applicable foreign exchange control regulations;

(c) disputes between holders of Domestic Shares and Foreign Shares may upon agreement between them may be resolved by way of arbitration and in case no such agreement is reached, any of the disputing parties could submit the dispute to the courts with competent jurisdiction for determination. These methods of dispute resolution apply equally to disputes between holders of Foreign Shares and overseas listed foreign shares; and

(d) upon all necessary approvals from the relevant regulatory authorities in the PRC and the Stock Exchange being obtained, the Foreign Shares may be converted into overseas listed foreign shares and shall thereafter carry the same rights and obligations attaching to overseas listed foreign shares.

OTHER INFORMATION

COMPLIANCE WITH CODE PROVISIONS OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2026.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors.

The Company had also made specific enquiry of all Directors in relation to the compliance of the Model Code. The Company was not aware of any non-compliance with the Model Code for the six months ended 30 June 2026.

By order of the Board
Changmao Biochemical Engineering Company Limited*
Rui Xin Sheng
Chairman

The PRC, 18 August 2026

As at the date hereof, Mr. Rui Xin Sheng (Chairman), Mr. Pan Chun and Ms. Rui Xiao Qian are the executive Directors, Mr. Yu Xiao Ping, Ms. Leng Yi Xin and Mr. Lin Ze Yu are the non-executive Directors, Mr. Zhou Zhi Wei, Mr. Shu Rong Xin and Ms. Cheng Mun Wah are the independent non-executive Directors.

GLOSSARY

2025 Financial Statements	The Group's annual financial statements for the year ended 31 December 2025
Board	Board of Directors of the Company
Changmao or the Company	Changmao Biochemical Engineering Company Limited
Changmao Dalian	Changmao (Dalian) New Materials Company Limited, a wholly-owned subsidiary of the Company
Changzhou Xinsheng	常州新生生化科技開發有限公司 (Changzhou Xinsheng Biochemical Technology Development Company Limited*)
CIT	Corporate Income Tax
Director(s)	Director(s) of the Company
Domestic Shares	Domestic shares of the Company
Foreign Shares	Foreign shares of the Company
GEM	GEM operated by the Stock Exchange
Group	The Company and its subsidiaries
H Shares	H shares of the Company
HK Bio	Hong Kong Bio-chemical Advanced Technology Investment Company Limited
HK Xinsheng	Hong Kong Xinsheng Pioneer Investment Company Limited
Lianyungang Changmao	Changmao Biochemical Lianyungang Company Limited, a wholly-owned subsidiary of the Company
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange

GLOSSARY

Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
New HKFRSs	New standards, amendments and interpretations of Hong Kong Financial Reporting Standards
PRC	The People's Republic of China
RMB	Renminbi
SFO	Securities and Futures Ordinance
Stock Exchange	The Stock Exchange of Hong Kong Limited
Supervisor(s)	Supervisor(s) of the Company
USD	United States Dollars

* *For identification purpose only*