中國三江精細化工有限公司

CHINA SANJIANG FINE CHEMICALS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2198

INTERIM REPORT 2026

CONTENT

Management Discussion and Analysis

During the six months ended 30 June 2026 (the "**period under review**"), the oil and chemical sector (the "**Sector**") and the economy of the People's Republic of China (the "**PRC**") continued to operate in a volatile and complex environment, shaped by fluctuating commodity prices, evolving trade and tariff policies, and heightened geopolitical tensions, including disruptions to key crude oil and feedstock shipping routes in the Middle East. Against this backdrop, China Sanjiang Fine Chemicals Company Limited (the "**Company**") and its subsidiaries (the "**Group**") delivered a substantial improvement in profitability, with net profit attributable to equity holders of the Company increasing by approximately 117.9% to approximately RMB656.1 million as compared with approximately RMB301.1 million in the corresponding period of 2025. Basic earnings per share increased to approximately RMB56.86 fens from approximately RMB26.01 fens. The Group's revenue increased by approximately 5.4% to approximately RMB9,599.5 million, while the overall gross profit margin improved by approximately 5.2 percentage points to approximately 10.3% (six months ended 30 June 2025: approximately 5.1%). This performance was underpinned by the Group's vertically integrated operations, its agile adjustment of feedstock and product mix, and firm demand and margin expansion across a number of key products, in particular ethylene oxide ("**EO**"), polypropylene ("**PP**"), ethylene and methyl tert-butyl ether ("**MTBE**"). During the period under review, the Board has recommended an interim dividend of HK10.0 cents per share. The Group intends to progressively increase its dividend payout ratio, taking into account its stable and growing operating performance and a prudent and improving gearing position. The Company is committed to balancing the overall interests of shareholders with the requirements for sustainable long-term development.

The Group continued to benefit from the full-cycle integrated operations of its **6th phase EO/EG production facilities** and the **Naphtha/Ethane/Propane-to-Ethylene/Propylene production facility**, which led to the flexibility to rebalance feedstock inputs among naphtha, ethane, propane and methanol and allowed the Group to optimise raw material costs and to mitigate its exposure to the price volatility of any single feedstock. During the period under review, the landed cost of imported ethane — a key feedstock sourced principally from the United States — was affected by elevated ocean freight rates arising from geopolitical tensions in the Middle East and along the Strait of Hormuz. In response, the Group actively adjusted its feedstock mix and continued to advance its own shipping and logistics arrangements with a view to stabilising ethane transportation costs and further strengthening its cost competitiveness over the medium term. Product-wise, the Group dynamically adjusted its production and sales mix to prioritise higher-margin and higher value-added products: EO, PP, ethylene, MTBE and butadiene each recorded improved gross profit margins over the corresponding period of 2025. The Group also expanded its export sales during the period, with revenue from customers outside Mainland China increasing significantly, driven mainly by MTBE.

Looking ahead to the second half of 2026, the Group expects downstream demand across its major product lines to remain in the early stage of a gradual recovery, supported by policy measures and export opportunities, although the pace of recovery may be uneven. On the supply side, limited new domestic capacity additions, the continued exit of ageing capacity both in the PRC and overseas, and low inventory levels across the value chain are expected to support product prices and to widen price elasticity as demand strengthens. The Group remains cautious regarding global economic uncertainty, trade and tariff developments, commodity price volatility, and geopolitical risks affecting feedstock supply and freight costs. Nonetheless, the Group's vertically integrated structure, diversified feedstock sourcing capability, disciplined cost control and continued deleveraging provide a solid foundation for sustaining profitability and creating long-term value for shareholders. The Group will continue to improve its raw-material mix and reduce transportation and logistics costs, pursue opportunities in high value-added products and further downstream integration, and, over time, improve its gearing ratio and enhance shareholder returns.

FINANCIAL REVIEW

Revenue

The breakdown by line of business in terms of revenue, sales volume, average selling price and gross profit margin during the periods under review are set forth below:

	First Half year 2026	**% of revenue**	First Half year 2025	% of revenue	Variance +/(−)
REVENUE (RMB'000)					
Ethylene oxide	**1,052,477**	**11%**	987,919	11%	+6.5%
Ethylene glycol	**1,420,224**	**15%**	1,741,183	20%	−18.4%
Polypropylene	**994,449**	**10%**	1,686,503	19%	−41.0%
Ethylene	**725,951**	**8%**	387,747	4%	+87.2%
Surfactants	**1,470,174**	**15%**	2,102,297	22%	−30.1%
MTBE	**2,188,954**	**23%**	435,346	5%	+402.8%
Gas, diethylene glycol and others	**511,204**	**5%**	398,372	4%	+28.3%
Butadiene	**435,983**	**5%**	345,061	4%	+26.3%
Ethanolamine	**456**	**0%**	105,966	1%	−99.6%
Surfactants processing service	**48,522**	**1%**	36,859	0%	+31.6%
Others	**751,104**	**7%**	878,422	10%	−14.5%
	9,599,498	**100%**	9,105,675	100%	+5.4%
SALES VOLUME (MT)					
Ethylene oxide	**170,573**		167,286		+2.0%
Ethylene glycol	**385,015**		417,152		−7.7%
Polypropylene	**140,122**		267,186		−47.6%
Ethylene	**105,887**		61,840		+71.2%
Surfactants	**253,491**		318,209		−20.3%
MTBE	**433,520**		91,210		+375.3%
Gas, diethylene glycol and others	**N/A**		N/A		N/A
Butadiene	**40,766**		36,806		+10.8%
Ethanolamine	**160**		19,016		−99.2%
Surfactants processing service	**174,722**		124,090		+40.8%
AVERAGE SELLING PRICE (RMB)					
Ethylene oxide	**6,170**		5,906		+4.5%
Ethylene glycol	**3,689**		4,174		−11.6%
Polypropylene	**7,097**		6,312		+12.4%
Ethylene	**6,856**		6,270		+9.3%
Surfactants	**5,800**		6,607		−12.2%
MTBE	**5,049**		4,773		+5.8%
Gas, diethylene glycol and others	**N/A**		N/A		N/A
Butadiene	**10,695**		9,375		+14.1%
Ethanolamine	**2,850**		5,572		−48.9%
Surfactants processing service	**278**		297		−6.4%
GROSS PROFIT MARGIN (%)					
Ethylene oxide	**23.6%**		14.7%		+8.9%
Ethylene glycol	**2.2%**		11.0%		−8.8%
Polypropylene	**15.9%**		0.1%		+15.8%
Ethylene	**14.5%**		−0.5%		+15.0%
Surfactants	**10.8%**		15.1%		−4.3%
MTBE	**8.7%**		−4.7%		+13.4%
Gas, diethylene glycol and others	**N/A**		N/A		N/A
Butadiene	**45.2%**		33.0%		+12.2%
Ethanolamine	**−15.8%**		11.6%		−27.4%
Surfactants processing service	**60.4%**		71.7%		−11.3%

Ethylene oxide

During the period under review, revenue from the EO line of business amounted to approximately RMB1,052.5 million, representing an increase of approximately 6.5% when compared with the corresponding period of 2025. The increase was primarily driven by an increase in the average selling price ("**ASP**") of EO of approximately 4.5%, together with a modest increase in sales volume of approximately 2.0%, reflecting relatively stable EO pricing and steady downstream demand. The gross profit margin of the EO line of business improved to approximately 23.6% (six months ended 30 June 2025: approximately 14.7%), as the Group optimised its production mix and benefited from improved product spreads and lower feedstock costs.

Ethylene glycol

During the period under review, revenue from the EG line of business amounted to approximately RMB1,420.2 million, representing a decrease of approximately 18.4% when compared with the corresponding period of 2025. The decrease was primarily attributable to a decrease in ASP of EG of approximately 11.6% and a decrease in sales volume of approximately 7.7%. The gross profit margin of the EG line of business decreased to approximately 2.2% (six months ended 30 June 2025: approximately 11.0%), primarily as a result of narrower product spreads amid executing sales contracts entered into during the early part of the period, notwithstanding a recovery in EG prices towards the latter part of the period.

Polypropylene

During the period under review, revenue from the PP line of business amounted to approximately RMB994.4 million, representing a decrease of approximately 41.0% when compared with the corresponding period of 2025, which was primarily due to a decrease in sales volume of approximately 47.6%, partially offset by an increase in ASP of approximately 12.4%. The lower sales volume mainly reflected the temporary adjustment of production at certain upstream units during the period. Despite the lower volume, the gross profit margin of the PP line of business improved significantly to approximately 15.9% (six months ended 30 June 2025: approximately 0.1%), supported by higher ASPs and an improved cost structure.

Ethylene

During the period under review, revenue from the ethylene line of business amounted to approximately RMB726.0 million, representing an increase of approximately 87.2% when compared with the corresponding period of 2025, primarily due to an increase in sales volume of approximately 71.2% and an increase in ASP of approximately 9.3%, as the Group increased merchant sales of ethylene in view of favourable market spreads. The gross profit margin of the ethylene line of business improved to approximately 14.5% (six months ended 30 June 2025: approximately –0.5%).

Surfactants

During the period under review, revenue from the surfactants line of business amounted to approximately RMB1,470.2 million, representing a decrease of approximately 30.1% when compared with the corresponding period of 2025, primarily due to a decrease in sales volume of approximately 20.3% and a decrease in ASP of approximately 12.2%, reflecting softer downstream demand and pricing during the period. The gross profit margin of the surfactants line of business decreased to approximately 10.8% (six months ended 30 June 2025: approximately 15.1%).

MTBE

During the period under review, revenue from the MTBE line of business amounted to approximately RMB2,189.0 million, representing an increase of approximately 402.8% when compared with the corresponding period of 2025. The increase was primarily driven by a substantial increase in sales volume of approximately 375.3%, together with an increase in ASP of approximately 5.8%, following the ramp-up of the Group's MTBE production capacity and an increase in export sales. The gross profit margin of the MTBE line of business turned around to approximately 8.7% (six months ended 30 June 2025: approximately –4.7%).

Butadiene

During the period under review, revenue from the butadiene line of business amounted to approximately RMB436.0 million, representing an increase of approximately 26.3% when compared with the corresponding period of 2025, driven by an increase in ASP of approximately 14.1% and an increase in sales volume of approximately 10.8%, supported by firm demand from the synthetic rubber and automotive sectors. The gross profit margin of the butadiene line of business remained strong at approximately 45.2% (six months ended 30 June 2025: approximately 33.0%).

Gross profit margin

Overall gross profit margin of the Group improved by approximately 5.2 percentage points to approximately 10.3% (six months ended 30 June 2025: approximately 5.1%). The improvement was primarily due to increases in the gross profit margins of a number of major lines of business — namely EO, PP, ethylene, MTBE and butadiene — as a result of the combined effects of: (i) higher ASPs and improved product spreads for selected products; (ii) optimisation of the product mix to prioritise higher-margin products in response to market demand; and (iii) the continued efficiency benefits of the Group's vertically integrated production facilities and flexible feedstock sourcing. These improvements more than offset the margin compression in the EG and surfactants lines of business.

Administrative expenses

Administrative expenses amounted to approximately RMB105.6 million (six months ended 30 June 2025: approximately RMB125.6 million) and mainly consist of staff related costs, various local taxes and educational surcharge, depreciation, audit fee and miscellaneous expenses.

Income tax expense

Income tax expense increased to approximately RMB119.4 million (six months ended 30 June 2025: approximately RMB28.6 million), broadly in line with the increase in the Group's profit before tax to approximately RMB776.6 million (six months ended 30 June 2025: approximately RMB330.6 million).

Liquidity and financial resources

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB1,072.8 million (31 December 2025: approximately RMB638.7 million) and pledged deposits and time deposits (current and non-current) of approximately RMB884.4 million (31 December 2025: approximately RMB1,739.2 million). The Group had interest-bearing bank and other borrowings (including the current portion of long-term loans) of approximately RMB11,031.9 million as at 30 June 2026 (31 December 2025: approximately RMB11,796.9 million). The Group's gearing ratio, expressed as a percentage of total interest-bearing borrowings to total assets, was approximately 51.2% as at 30 June 2026 (31 December 2025: approximately 52.7%). Net cash flows generated from operating activities amounted to approximately RMB741.2 million during the period under review (six months ended 30 June 2025: approximately RMB836.6 million). The Group maintains internal gearing guidance and continues to hold sufficient liquidity to respond to potential market fluctuations.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
REVENUE	4	**9,599,498**	9,105,675
Cost of sales		**(8,609,320)**	(8,641,063)
Gross profit		**990,178**	464,612
Other income and gains	4	**112,116**	215,181
Selling and distribution cost		**(2,686)**	(3,134)
Administrative expenses		**(105,598)**	(125,646)
Other expenses	4	**(61,727)**	(17,451)
Finance costs	5	**(155,678)**	(202,988)
PROFIT BEFORE TAX	6	**776,605**	330,574
Income tax expense	7	**(119,449)**	(28,551)
PROFIT FOR THE PERIOD		**657,156**	302,023
Attributable to:			
Equity holders of the parent		**656,133**	301,132
Non-controlling interests		**1,023**	891
		657,156	302,023
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
— Basic and diluted (RMB)	8	**56.86 fens**	26.01 fens
INTERIM DIVIDEND DECLARED FOR THE PERIOD	9	**102,706**	—

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PROFIT FOR THE PERIOD	**657,156**	302,023
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**657,156**	302,023
Attributable to:		
Equity holders of the parent	**656,133**	301,132
Non-controlling interests	**1,023**	891
	657,156	302,023

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	**30 June 2026 (Unaudited) RMB'000**	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**12,494,258**	12,854,476
Investment properties		**72,467**	73,847
Right-of-use assets		**639,363**	648,490
Other intangible assets		**18,002**	33,338
Advance payments for property, plant and equipment		**225,297**	245,998
Equity investments designated at fair value through other comprehensive income		**3,409**	3,409
Pledged deposits	13	**31,661**	156,054
Deferred tax assets		**7**	7,586
Total non-current assets		**13,484,464**	14,023,198
CURRENT ASSETS			
Inventories	11	**3,165,165**	2,965,354
Trade and notes receivables	12	**1,517,079**	1,357,211
Prepayments, other receivables and other assets		**1,441,488**	1,797,177
Derivative financial instruments		**378**	1,494
Financial assets at fair value through profit or loss	10	**2,787**	4,741
Pledged deposits and time deposit	13	**852,751**	1,583,183
Cash and cash equivalents	13	**1,072,773**	638,719
Total current assets		**8,052,421**	8,347,879
CURRENT LIABILITIES			
Trade and bills payables	14	**1,238,235**	1,670,797
Other payables and accruals		**1,503,979**	1,893,643
Derivative financial instruments		**34,380**	45,870
Financial liabilities at fair value through profit or loss		**253,207**	331,360
Interest-bearing bank and other borrowings	15	**7,939,105**	8,184,915
Long-term loan within one year	15	**1,311,952**	2,253,805
Lease liabilities		**2,478**	5,993
Due to related parties	16	**577,773**	728,055
Tax payable		**182,297**	109,819
Total current liabilities		**13,043,406**	15,224,257
NET CURRENT LIABILITIES		**(4,990,985)**	(6,876,378)
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,493,479**	7,146,820

At 30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	15	**1,780,802**	1,358,228
Due to related parties	16	**770,261**	343,866
Lease liabilities		**14,081**	13,870
Deferred tax liabilities		**54,122**	67,146
Other payables		**61,273**	66,486
Total non-current liabilities		**2,680,539**	1,849,596
Net assets		**5,812,940**	5,297,224
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**102,662**	102,662
Reserves		**5,639,127**	5,210,138
		5,741,789	5,312,800
Non-controlling interests		**71,151**	(15,576)
Total equity		**5,812,940**	5,297,224

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Net cash flows in respect of operating activities		**741,160**	836,567
Net cash flows in respect of investing activities		**(98,000)**	(810,297)
Net cash flows in respect of financing activities		**(199,926)**	232,191
Net increase in cash and cash equivalents		**443,234**	258,461
Cash and cash equivalents at beginning of period		**638,719**	564,328
Effect of foreign exchange rate change, net		**(9,180)**	(242)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13	**1,072,773**	822,547

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 — unaudited

	Attributable to owners of the parent												
	Share Capital RMB'000	Treasury shares RMB'000	Statutory surplus & safety production reserve RMB'000	Special reserve RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Financial assets at FV through OCI revaluation reserve RMB'000	Merger reserve RMB'000	Shares repurchased for share award plan RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2025	**102,662**	**(6,227)**	**1,056,183**	**(38,363)**	**1,352,311**	**2,371**	**2,409**	**(627,092)**	**(46,833)**	**3,515,379**	**5,312,800**	**(15,576)**	**5,297,224**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**656,133**	**656,133**	**1,023**	**657,156**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**656,133**	**656,133**	**1,023**	**657,156**
Acquisition of non-controlling interest	**–**	**–**	**–**	**(160,505)**	**–**	**–**	**–**	**–**	**–**	**–**	**(160,505)**	**85,704**	**(74,801)**
Repurchase of ordinary shares	**–**	**(16,847)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(16,847)**	**–**	**(16,847)**
Final 2025 dividend	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(51,189)**	**(51,189)**	**–**	**(51,189)**
Appropriation to statutory surplus/ safety production reserve	**–**	**–**	**111,367**	**–**	**–**	**–**	**–**	**–**	**–**	**(111,367)**	**–**	**–**	**–**
Safety production reserve used	**–**	**–**	**(4,109)**	**–**	**–**	**–**	**–**	**–**	**–**	**4,109**	**–**	**–**	**–**
Offset with dividend	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,397**	**–**	**1,397**	**–**	**1,397**
At 30 June 2026	**102,662**	**(23,074)**	**1,163,441**	**(198,868)**	**1,352,311**	**2,371**	**2,409**	**(627,092)**	**(45,436)**	**4,013,065**	**5,741,789**	**71,151**	**5,812,940**
At 31 December 2024	102,662	–	948,666	(38,363)	1,352,311	2,371	2,409	(627,092)	(46,833)	3,215,638	4,911,769	(17,981)	4,893,788
Profit for the period	–	–	–	–	–	–	–	–	–	301,132	301,132	891	302,023
Total comprehensive income for the period	–	–	–	–	–	–	–	–	–	301,132	301,132	891	302,023
Appropriation to statutory surplus/safety production reserve	–	–	89,342	–	–	–	–	–	–	(89,342)	–	–	–
Safety production reserve used	–	–	(7,431)	–	–	–	–	–	–	7,431	–	–	–
At 30 June 2025	102,662	–	1,030,577	(38,363)	1,352,311	2,371	2,409	(627,092)	(46,833)	3,434,859	5,212,901	(17,090)	5,195,811

1 CORPORATE INFORMATION

The Company was incorporated with limited liability in the Cayman Islands on 30 January 2009. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (the "**Group**") was principally engaged in the manufacture and supply of ethylene oxide ("**EO**"), ethylene glycol ("**EG**"), polypropylene ("**PP**"), methyl tert-butyl ether ("**MTBE**") and surfactants in the PRC. The Group was also engaged in the provision of processing services for PP, MTBE and surfactants to its customers and the production and supply of other chemical products such as Butadiene, Ethanolamine and industrial gases, namely oxygen, nitrogen and argon in the PRC. EO is a key intermediary component for the production of ethylene derivative products such as ethanolamines and glycol ethers and a wide range of surfactants. EG is a type of semi-finished goods that is used to produce other bio-organic chemical products such as mono ethylene glycol which is used to produce polyester and anti-frozen chemical liquids. PP is a kind of thermoplastic resin, which can be used in knitting products, injection molding products, film products, fiber products, pipes etc. Surfactants are widely applied in different industries as scouring agents, moisturising agents, emulsifiers and solubilisers. MTBE is a gasoline additive, used as an oxygenate to raise the octane number and is almost exclusively used as a fuel component in fuel for gasoline engines.

2.1 BASIS OF PRESENTATION AND PREPARATION

The Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting*. The Group's unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025. The unaudited condensed consolidated interim financial information has been prepared under the historical cost convention, except for certain equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss, and derivative financial instruments which have been measured at fair value. These financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated. The Group's unaudited condensed consolidated interim financial information has been reviewed by the audit committee of the Company.

Going concern assumption

As at 30 June 2026, the Group's net current liabilities amounted to approximately RMB4,990,985,000. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and sufficient financing to meet its financial obligations as and when they fall due. In preparing the financial information, the directors of the Company have considered the Group's sources of liquidity and believe that adequate funding is available to fulfill the Group's debt obligations and capital expenditure requirements. Accordingly, the condensed consolidated financial information has been prepared on a basis that the Group will be able to continue as a going concern.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

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

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

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3 SEGMENT INFORMATION

For management purpose, the Group did not organise into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of its operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Information about products and services

The following table sets forth the total revenue from external customers by product and service during the periods:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Sales of goods	**9,542,491**	9,059,571
Provision of services	**48,522**	36,859
Others	**8,485**	9,245
Total	**9,599,498**	9,105,675

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Chinese Mainland	**7,120,167**	8,838,060
Others	**2,479,331**	267,615
Total revenue	**9,599,498**	9,105,675

(b) The Group's non-current assets are all located in Chinese Mainland.

4 REVENUE, OTHER INCOME AND GAINS AND OTHER EXPENSES

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, net of valued-added tax and government surcharges, and after allowances for returns and trade discounts.

An analysis of revenue is shown in Note 3 above.

An analysis of other income and gains and other expenses is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Other income and gains		
Additional deduction for input value-added tax	**10**	8,185
Interest/investment income derived from banks&related parties, financial assets at fair value through profit or loss	**32,836**	24,768
Reversal of write-down of inventories to net realisable value — silver (being part of catalyst)	**—**	82,325
Sales in respect of trading of oil and chemicals	**58,568**	5,619
Gains on disposal of silver catalysts	**—**	54,078
Others	**20,702**	40,206
	112,116	215,181

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Other expenses		
Disposal of property, plant and equipment	**9,657**	3,156
Foreign exchange loss, net	**9,888**	10,895
Fair value changes of financial instruments	**26,056**	—
Others	**16,126**	3,400
Total	**61,727**	17,451

5 FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Interest on bank and other borrowings	**120,074**	161,237
Interest on discounted notes receivables	**35,285**	40,648
Interest on lease liabilities	**319**	1,103
Total	**155,678**	202,988

6 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Cost of inventories sold	**8,590,563**	8,630,620
Cost of service provided	**18,757**	10,443
Depreciation of property, plant and equipment	**468,609**	438,307
Depreciation of right-of-use assets	**9,127**	25,856
Amortisation of other intangible assets	**2,266**	4,982

7 INCOME TAX

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

The income tax expense of the Group for the periods are analysed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current		
Charge for the period	**124,894**	15,904
Effect of additional tax deduction enacted by tax authority	**—**	(4,026)
Deferred	**(5,445)**	16,673
Total tax charge for the period	**119,449**	28,551

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

The Group conducts a significant portion of its business in Mainland China and the applicable income tax rate of its subsidiaries operating in Mainland China is generally 25% in accordance with the Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain entities who are entitled to preferential tax rates of 15%, subject to the approval of the relevant tax bureaus.

8 EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period. The number of shares for the current period has been arrived at after eliminating shares repurchased.

No adjustment has been made to the basic profit per share amount presented for the period ended 30 June 2026 and the period ended 30 June 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the period.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent	**656,133**	301,132

	Number of shares	
	'000	'000
Shares		
Weighted average number of ordinary shares in issue during the period	**1,153,915**	1,157,875

9 DIVIDENDS

i) Dividends payable to equity shareholders of the Company attributable to the period:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Proposed interim — HK10.0 cents (2025: HK Nil)	**102,706**	—

The Board has declared that an interim dividend of HK10.0 cents (2025: HK Nil) per share for the six months ended 30 June 2026 to shareholders whose names appear in the Register of Members on 18 September 2026.

ii) Dividends payable to equity shareholders of the Company attributable to the previous financial period, approve and paid during the period:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Final dividend in respect of the financial year ended 31 December 2025, approved and paid during the following period, of HK5.0 cents per ordinary share (2024: HK Nil), calculated based on the number of ordinary shares used in the basic earnings per share calculation	**51,189**	—

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group has investments in certain wealth management products issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

11 INVENTORIES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Raw materials	2,427,090	2,260,021
Finished goods	738,075	705,333
Total	3,165,165	2,965,354

12 TRADE AND NOTES RECEIVABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade receivables	373,986	226,415
Notes receivable	1,149,972	1,137,675
	1,523,958	1,364,090
Impairment	(6,879)	(6,879)
Net carrying amount	1,517,079	1,357,211

The credit period is generally 10 to 60 days, extending up to three months for certain customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The maturity of notes receivables is due within six months.

An aged analysis of the trade receivables of the Group as at the end of each of the reporting periods, based on the transaction dates and net of loss allowance, is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
1 to 30 days	274,018	204,116
31 to 60 days	67,951	5,050
61 to 90 days	9,868	156
91 to 360 days	14,910	9,996
Over 360 days	360	218
Total	367,107	219,536

13 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2026 RMB'000	31 December 2025 RMB'000
Cash and bank balances	**1,072,773**	638,719
Time deposits and pledged deposits	**884,412**	1,739,237
Subtotal	**1,957,185**	2,377,956
Less: Pledged time deposits:		
Pledged for silver leasing contracts	**48,246**	192,057
Pledged for options	**7,022**	3,072
Pledged for bills payable	**229,614**	358,224
Pledged for bank loans	**419,251**	993,693
Pledged of letter of guarantee	**120,353**	119,458
Time deposits	**59,926**	72,733
	884,412	1,739,237
Cash and cash equivalents	**1,072,773**	638,719

Cash at banks earns interest at floating rates based on daily bank deposit rates. Pledged short term time deposits are made for periods with a maturity of the underlying notes payable, letters of credit and bank loans secured by these deposits. Time deposits earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

14 TRADE AND BILLS PAYABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Bills payable	**316,800**	787,941
Trade payable	**921,435**	882,856
Total	**1,238,235**	1,670,797

14 TRADE AND BILLS PAYABLES *(continued)*

An aged analysis of the trade and bills payables as at the end of the reporting periods, based on the invoice date for trade and bills payables is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within 3 months	**963,197**	1,228,379
3 to 6 months	**203,298**	394,158
6 to 12 months	**46,921**	15,503
12 to 24 months	**7,585**	18,397
24 to 36 months	**9,443**	6,416
Over 36 months	**7,791**	7,944
Total	**1,238,235**	1,670,797

Trade payables are non-interest-bearing and have an average credit term of three months and bills payable were all aged within one year.

15 INTEREST-BEARING BANK AND OTHER BORROWINGS

	Effective interest rate (%)	Maturity	30 June 2026 RMB'000	31 December 2025 RMB'000
Current				
Bank loans — unsecured	2.110–3.500	Within one year	**3,586,675**	3,431,577
Bank loans of US$15,724,373 — secured	4.192–4.605	Within one year	**—**	110,523
Bank loans of US$71,195,886 — unsecured	4.233–6.600	Within one year	**—**	500,421
Bank loans of US$30,844,360 — unsecured	3.818–3.868	Within one year	**210,079**	—
Other loans — secured	2.448–6.015	Within one year	**663,846**	1,068,165
Current portion of long term bank loans — secured	2.44–4.6	Within one year	**347,321**	769,600
Current portion of long term bank loans — unsecured	2.420–3.650	Within one year	**421,985**	511,040
Discounted notes receivable	0.760–2.540	Within one year	**2,069,651**	2,324,394
Discounted letter of credit	1.000–2.250	Within one year	**1,951,500**	1,723,000
Total — current			**9,251,057**	10,438,720
Non-current				
Bank loans — secured	2.440–3.700	2027	**122,952**	789,600
Bank loans — secured	2.440–3.700	2028	**346,063**	25,600
Bank loans — secured	2.440–3.700	2029	**586,400**	25,600
Bank loans — secured	2.440–3.000	2030	**232,316**	14,000
Bank loans — unsecured	2.420–3.200	2027	**115,500**	116,920
Bank loans — unsecured	2.600–2.600	2029	**9,970**	—
Bank loans — unsecured	2.520–2.520	2031	**125,440**	—
Other loans — secured	3.671–4.225	2027	**163,032**	329,798
Other loans — secured	3.671–4.225	2028	**79,129**	56,710
Total — Non-current			**1,780,802**	1,358,228
Total			**11,031,859**	11,796,948
Analysed into:				
Bank and other borrowings repayable:				
Within one year			**9,251,057**	10,438,720
In the second year			**653,645**	1,236,318
In the third to fifth years, inclusive			**1,127,157**	121,910
Total			**11,031,859**	11,796,948

15 INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes:

Certain of guarantees of the Group's bank and other borrowings are secured by:

(i) mortgages over the Group's leasehold lands, which had an aggregate carrying value at the end of the reporting period of approximately RMB366,062,000 (31 December 2025: RMB451,243,000) as at 30 June 2026;

(ii) mortgages over the Group's property, plant and equipment, which had an aggregate carrying value at the end of the reporting period of approximately RMB5,633,347,000 (31 December 2025: RMB6,449,927,000) as at 30 June 2026;

(iii) the pledge of certain of the Group's pledged deposits amounting to RMB419,251,000 (31 December 2025: RMB993,693,000) as at 30 June 2026;

(iv) guarantees from Hangzhou Haoming Investment Co., Ltd. ("**Hangzhou Haoming**"), a related company and a company established in the PRC with limited liability, for an amount not exceeding RMB650,000,000 (31 December 2025: RMB650,000,000);

(v) mortgages over 100% of the equity interest in Hangzhou Haoming; and

(vi) mortgages over Guanlang's collection rights of trade receivables from 2025 to 2029.

16 DUE TO RELATED PARTIES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Current		
Jiahua Energy	**345,588**	390,442
Mei Fu Port	**83,897**	104,715
Blue Whale Bioenergy	**3,614**	67,269
Gangan Intelligent	**50,702**	41,931
Hangzhou Bay Petro	**6,046**	1,665
Haoxing Energy Conservation	**59,457**	53,852
Jiaxing Rewang	**1,556**	6,418
Jianghao Eco-agriculture	**1,856**	1,856
Jiahua Group	**762**	712
Jimoni Haijin New Energy	**24,237**	59,195
Jiahai Sda Energy	**58**	—
	577,773	728,055
Non-current		
Mei Fu Petrochemical	**722,261**	295,866
Zhejiang Zhongxin	**48,000**	48,000
	770,261	343,866
Total	**1,348,034**	1,071,921

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and/or chief executives of the Company in any shares of the Company (the "**Shares**"), underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors (the "**Model Code**") are as follows:

Interests in shares of the Company:

	Number of Shares				
Name of Directors	Personal Interest	Family Interest	Trust/ Corporate Interest	Total	Approximate% of issued share capital[3]
Han Jianhong ("**Ms. Han**")	—	20,738,000[2]	536,936,000[1]	557,674,000	46.86%
Rao Huotao ("**Mr. Rao**")	659,000	—	—	—	0.06%
Chen Xian ("**Ms. Chen**")	3,500,000	—	—	—	0.29%

Notes:

(1) The 536,936,000 Shares were held by Sure Capital Holdings Limited ("**Sure Capital**"), the entire issued ordinary shares of which were owned as to 84.71% by Mr. Guan Jianzhong ("**Mr. Guan**") and 15.29% by Ms. Han, the spouse of Mr. Guan. By virtue of the SFO, Mr. Guan was deemed to be interested in the Shares held by Sure Capital, and Ms. Han was deemed to be interested in the Shares in which Mr. Guan was interested for the purposes of Divisions 2 and 3 of Part XV of the SFO.

(2) These Shares were held by Mr. Guan, the spouse of Ms. Han. As such, Ms. Han is deemed to be interested in those Shares held by Mr. Guan for the purposes of Divisions 2 and 3 of Part XV of the SFO.

(3) Based on 1,190,000,000 Shares in issue as at 30 June 2026.

Interest in shares of associated corporation of the Company

Name of the directors	Name of associated corporation	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate % of issued share capital
Mr. Guan	Sure Capital	Beneficial owner	Long position	8,473	84.71%
Ms. Han	Sure Capital	Beneficial owner	Long position	1,529	15.29%

Save as disclosed above, none of the Directors and the chief executive of the Company was interested or had any short position in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2026.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company), who have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company in accordance with the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, are as follows:

Name of the substantial shareholders	Capacity/ Nature of interest	Long/Short position	Number of shares held	Approximate % of issued share capital
Sure Capital	Beneficial owner	Long position	536,936,000 (Note 1)	45.12%

Note:

1. The entire issued ordinary shares of Sure Capital were owned as to approximately 84.71% by Mr. Guan and approximately 15.29% by Ms. Han, the spouse of Mr. Guan. By virtue of the SFO, Mr. Guan was deemed to be interested in the Shares held by Sure Capital and Ms. Han was deemed to be interested in the Shares in which Mr. Guan was interested for the purposes of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, no other interest or short position in the shares and underlying shares of the Company were recorded in the register required to be kept under section 336 of the SFO as at 30 June 2026.

SHARE AWARD PLAN

The Company adopted a share award plan on 31 March 2011 (the "**Share Award Plan**"). The purposes of the Share Award Plan are to recognise and reward the contribution of certain eligible employees for the growth and development of the Group, to give incentives thereto in order to retain them for the continual growth and development of the Group, and to attract suitable personnel for further development of the Group. The eligible employees include any employee (whether full time or part time, including any executive director) of the Company, any subsidiary or any invested entity.

The Share Award Plan will be valid and effective for a term of 50 years commencing on the date on which the Share Award Plan was adopted.

Under the rules of the Share Award Plan (the "**Plan Rules**"), the Share Award Plan will be subject to the administration of the board or the plan administrator, who is authorised by the board to render supports in all respects to the Board in connection with the implementation of the Share Award Plan, whose decisions on all matters arising in relation to the Share Award Plan or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby.

The Group has appointed a trustee (the "**Trustee**") for the purposes of administering the Share Award Plan. The Trustee will be notified by the directors in writing upon making an award to an eligible employee under the Share Award Plan. Upon the receipt of such notice, the Trustee will set aside the appropriate number of awarded shares out of a pool of shares comprising the following:

(A) such shares as may be (i) transferred to the Trustee from any person (other than the Group) by way of gift, or (ii) purchased by the Trustee on the Stock Exchange by utilising the funds received by the Trustee from any person (other than the Group) by way of gift;

(B) such shares as may be purchased by the Trustee on the Stock Exchange by utilising the funds allocated by the board out of the Company's resources;

(C) such shares as may be subscribed for at par value by the Trustee by utilising the funds allocated by the board out of the Company's resources; and

(D) such shares which remain unvested and reverted to the Trustee.

The legal and beneficial ownership of the relevant awarded shares shall vest in the relevant selected employee within 10 business days after the later of: (a) the earliest vesting date as specified in the award notice to which such award relates; and (b) where applicable, the date on which the conditions or performance targets (if any) to be attained by such selected employee as specified in the related award notice have been attained and notified to the Trustee by the board in writing.

Under the Plan Rules, the employees of the Group shall not have any right to receive any shares awarded to them under the Share Award Plan and all other interests attributable thereto unless and until the Trustee has transferred the legal and beneficial ownership of such awarded shares to them and the legal and beneficial ownership of those awarded shares vested in them. When the participant ceased to be the Group's employee, the unvested shares would be retained by the Trustee.

In accordance with the Plan Rules, the total number of shares available for issue under the share award plan of the Company should not exceed 5% of the total number of issued shares as at the beginning of any financial year, being 59,500,000 shares of the Company for the year ended 31 December 2025.

In accordance with the Plan Rules, the maximum entitlement of any selected employee shall not exceed the difference between (A) the total number of Shares held under the pool of Shares and (B) the aggregate number of (i) the Shares which have been provisionally awarded under the share award plan of the Company; and (ii) the Shares which are proposed to be considered and approved at the same meeting to be provisionally awarded to other selected employees.

As at 30 June 2026, the total number of Shares held under the pool of Shares were 32,125,000. Accordingly, the maximum entitlement of any one selected employee under the share award plan of the Company will be 32,125,000 Shares, representing approximately 1.88% of the issued Shares of the Company. No shares have been granted for the year ended 31 December 2025 and the six months ended 30 June 2026.

In accordance with the Plan Rules, the vesting period of any awarded shares to any selected employee shall be within ten (10) Business Days after the latest of: (i) the earliest date specified by the Board on which the Trustee may vest the legal and beneficial ownership of the award shares in the relevant selected employee; and (ii) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such selected employee as specified in the related award notice have been attained and notified to the Trustee by the Board in writing. No amount is payable on the acceptance of an award.

During any particular financial year, the Board shall at the beginning of such financial year determine the maximum amount of the contribution to be allocated to the Trustee for the purchase of Shares to constitute the pool of shares to be held by the Trustee. The Trustee shall purchase the Shares at the prevailing market price and in off-market transactions, the purchase price shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

The fair value of services received in return for shares granted is measured by reference to the fair value of shares granted. The fair value of the shares granted is measured at the grant date at the market value of the shares, adjusted for the exclusion of expected dividends to be received in the vesting period.

The following awarded shares were outstanding under the Share Award Plan during the year/period:

	Number of shares purchased and held for the Share Award Plan	Number of awarded shares
At 1 January 2026	32,125,000	–
Purchased and withheld	–	–
At 30 June 2026	**32,125,000**	**–**

No share award plan expense was charged to the condensed consolidated statement of profit or loss during the six months ended 30 June 2026 (30 June 2025: Nil).

CHANGE IN DIRECTORS' INFORMATION

For the six months ended 30 June 2026 and up to the date of this report, there was no significant change in Directors' information since the date of the last annual report of the Company for the year ended 31 December 2025 pursuant to Rule 13.51B(1) of the Listing Rules.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had capital commitments amounted to approximately RMB4,238 million.

Included in the above approximately RMB4,238 million for the six months period ended 30 June 2026, approximately RMB4,142 million was attributable to the vessel-related commitments pursuant to the chartered agreements as disclosed in the circular of the Company dated 14 May 2025 (the "**Circular**"), in relation to the leasing of vessels for the transportation of liquefied gases, including ethane, which are key feedstocks of the Group. Such arrangements are expected to enhance the Group's logistics capabilities, secure stable supply of critical raw materials and improve cost efficiency over the long term.

Upon delivery of the vessels in or around 2027, the Group is expected to recognise the corresponding right-of-use assets and lease liabilities on its consolidated statement of financial position, representing the present value of the lease payments over the charter period.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have material contingent liabilities not provided for in the financial information.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 1,470 full time employees. The Group's employee benefits included housing subsidies, shift subsidies, bonuses, allowances, medical check-up, staff quarters, social insurance contributions, housing fund contributions and share award scheme. The remuneration committee of the Company (the "**Remuneration Committee**") reviews such packages annually, or when the occasion requires. The executive Directors, who are also employees of the Company, receive remuneration in the form of salaries, bonuses and other allowances.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's gearing ratio, expressed as a percentage of total interest-bearing borrowings to total assets, was approximately 51.2% as at 30 June 2026 (i.e. 52.7% as at 31 December 2025). The Group has internal gearing guidance, which takes into account various factors, including the typical time lag of around two years between the construction period of new production facilities and the generation of corresponding profits and revenue and the estimated buffer by the management of the Group to maintain sufficient liquidity in response to potential market fluctuations.

WORKING CAPITAL

The inventory turnover days increased during the period under review (30 June 2026: 64.4 days; 31 December 2025: 59.1 days).

The trade and notes receivables turnover days maintained at a relatively low level during the period under review (30 June 2026: 27.1 days; 31 December 2025: 28.0 days).

The trade and notes payables turnover days maintained at a similar level during the period under review (30 June 2026: 30.6 days; 31 December 2025: 36.1 days).

INTERIM DIVIDEND

The Board has declared an interim dividend of HK10.0 cents per share for the six months ended 30 June 2026 (30 June 2025: Nil) to shareholders whose names appear on the Register of Members on 18 September 2026. It is expected that the interim dividend will be paid on 9 October 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 17 September 2026 to 18 September 2026, both days inclusive, during which period no transfer of shares in the Company can be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on 16 September 2026.

CORPORATE GOVERNANCE

The Company has adopted the code provisions in the Corporate Governance Code and Corporate Government Report ("**CG Code**"), including any revisions and amendments from time to time, as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. The Board considers that the Company has complied with all the code provisions of the CG Code during the six months ended 30 June 2026 and up to the date of this report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by Directors and senior management. Having made specific enquiries, all the Directors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2026 and up to the date of this report.

AUDIT COMMITTEE

As at 30 June 2026, the audit committee of the Company (the "**Audit Committee**") has three members, namely Shen Kaijun and Kong Liang and Pei Yu, all of whom are independent non-executive Directors. The chairman of the Audit Committee is Shen Kaijun. The primary responsibilities of the Audit Committee include, among others, reviewing and supervising the financial reporting process and internal control system of the Group, nominating and monitoring external auditors and providing advice and comments to the Board.

The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2026, including the accounting principles and practices adopted by the Group, and the Group's internal control functions.

REMUNERATION COMMITTEE

As at 30 June 2026, the Remuneration Committee has three members, namely Pei Yu, Han Jianhong and Kong Liang of whom Kong Liang and Pei Yu are independent non-executive Directors and Han Jianhong is the Chairlady of the Board and an executive Director. The chairman of the Remuneration Committee is Pei Yu. The primary responsibilities of the Remuneration Committee include, among others, evaluating the performance and making recommendation on the remuneration package of the Directors and senior management, and evaluating and making recommendation on the share award plan of the Company.

NOMINATION COMMITTEE

As at 30 June 2026, the nomination committee of the Company (the "**Nomination Committee**") consists of three members, namely Han Jianhong, Shen Kaijun and Ms. Pei Yu, of whom Shen Kaijun and Pei Yu are independent non-executive Directors and Han Jianhong is the Chairlady of the Board and an executive Director. The chairlady of the Nomination Committee is Han Jianhong. The primary responsibilities of the Nomination Committee include, among others, considering and recommending to the Board suitably qualified persons to become the member of the Board and reviewing the structure, size and composition of the Board on a regular basis and as required.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the period under review, the Company repurchased a total of 4,502,000 of its ordinary shares of HK$0.10 each on The Stock Exchange of Hong Kong Limited. Please refer to the next day disclosure return announcements during the period under review for details of price ranges and total considerations. All repurchased shares will not be entitled to any dividend (if any), following such repurchase. All repurchased shares will be subsequently cancelled. As of 30 June 2026, the Company had a total of 7,502,000 of its ordinary shares of HK$0.10 each that were repurchased and will be subsequently cancelled and will not be entitled to any divided (if any). Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period ended 30 June 2026.

CLARIFICATION IN RESPECT OF THE 2025 ANNUAL REPORT

Reference is made to the row headed "13. Fatty Alcohol Supply Agreement" in the table on page 49 of the Company's annual report for the year ended 31 December 2025 (the "**2025 Annual Report**"). Due to a clerical error, the actual transaction amount for the period from 1 January 2025 to 31 December 2025 was misstated as approximately RMB254,000,000, and should have been RMB25,400,000 instead, which did not exceed the annual cap of RMB250,000,000. Save as disclosed above, all the other information in the 2025 Annual Report remains unchanged.

Corporate Information

DIRECTORS

Executive Directors

HAN Jianhong (Chairlady)
RAO Huotao
GUAN Siyi
CHEN Xian

Independent non-executive Directors

SHEN Kaijun (Lead independent non-executive director)
PEI Yu
KONG Liang

SHARE LISTING

Main Board of The Stock Exchange of
Hong Kong Limited
Stock code: 2198

AUDITORS

Ernst & Young
27/F One Taikoo Place,
979 King's Road,
Quarry Bay,
Hong Kong SAR

LEGAL ADVISERS AS TO HONG KONG LAW

Fong Yin Cheung & Co.
Room 1401, 14th Floor,
China Insurance Group Building,
141 Des Voeux Road Central, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC AND HEADQUARTERS

Pinghai Road, Jiaxing Port Area,
Zhejiang Province PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., United Centre,
Admiralty,
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

COMPANY SECRETARY

YIP Ngai Hang, FCPA, FCCA

PRINCIPAL BANKER IN HONG KONG

Bank of Communications Co., Ltd.
Hong Kong Branch
20 Pedder Street, Central, Hong Kong

PRINCIPAL BANKERS IN THE PRC

Agricultural Bank of China
Pinghu Zhapu Branch
42 Tianfei Road, Zhapu District
Pinghu City, Zhejiang Province, PRC

Bank of Communications
Pinghu City Branch
325 Xinhua Road, Pinghu City
Zhejiang Province, PRC

Industrial and Commercial Bank of China
Pinghu City Branch
338 Yashan Road Central, Pinghu City
Zhejiang Province, PRC

Bank of China
Pinghu City Branch
40 Chengnan Road West, Pinghu City
Zhejiang Province, PRC

China CITIC Bank
Jiaxing Branch
639 Zhongshan Road East, Jiaxing City
Zhejiang Province, PRC

China Construction Bank
Pinghu Zhapu Branch
1 Tianfei Road, Zhapu District
Pinghu City, Zhejiang Province, PRC

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

CORPORATE WEBSITE

www.chinasanjiangfinechemicals.com