



CHINA LONGEVITY GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1863

2026 INTERIM REPORT





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Jun (*Chairman*)
Mr. Jiang Shisheng
Mr. Gao Juwen

Independent Non-executive Directors

Mr. Lau Chun Pong
Mr. Lu Jiayu
Ms. Jiang Ping

AUDIT COMMITTEE

Mr. Lau Chun Pong (*Chairman*)
Mr. Lu Jiayu
Ms. Jiang Ping

REMUNERATION COMMITTEE

Mr. Lu Jiayu
Ms. Jiang Ping
Mr. Lau Chun Pong

NOMINATION COMMITTEE

Ms. Jiang Ping (*Chairman*)
Mr. Lu Jiayu
Mr. Lau Chun Pong

COMPANY SECRETARY

Mr. Chow Yiu Wah, Joseph

AUTHORISED REPRESENTATIVES

Mr. Liu Jun
Mr. Chow Yiu Wah, Joseph

INDEPENDENT AUDITORS

ZHONGHUI ANDA CPA Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1307, 13/F., New East Ocean Centre,
9 Science Museum Road,
Tsim Sha Tsui East,
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Royal Bank House — 3rd Floor
24 Shedden Road
P.O. Box 1586
George Town
Grand Cayman
KY1-1110

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point
Hong Kong

STOCK CODE

1863

CORPORATE WEBSITE

<http://www.chinalongevity.hk>

INVESTOR RELATIONS CONTACT

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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Being one of the notable leaders among the industry of manufacturing new materials featuring eco-friendliness and special features around the globe, the Group, whose businesses cover over 100 nations and regions around the world, considers low carbon, emission reduction and technical innovation as our core value and functional new materials as our primary products. The Group is dedicated to leading the eco-friendly industrial chain development of the industry, offering technical consultancy and services for the industry, providing Sijia new materials and super core construction material products for modern transportation, medical care, architecture, outdoor leisure activities and athletic sports. The Group's high-performance PVC composite materials ("Material Products") business, located in Fuzhou and Shanghai, utilizes self-developed equipment and processes that have been granted national invention patents in manufacturing new materials, including drop stitch fabric, architectural film, waterproofing film, marquees materials, air tightness materials, inflatable boats materials and inflatable materials.

The Group's eco-friendly building materials ("Building Material Products") business, located in Fuzhou, sells products across the world which are applicable in a wide spectrum of public and household domains, including education, healthcare, commerce, sports, offices, industrial usage and transportation which are in compliance with EU and U.S. standards and environmental requirements under the brands of "Zero Formaldehyde Super Core Flooring" and "Carbon Crystal Stone Wall Panel".

Revenue for the period under review was approximately RMB646.1 million, representing an increase of approximately RMB54.5 million, or 9.2%, compared to revenue of approximately RMB591.6 million for the same period last year. The increase was primarily attributable to the surge in popularity for the Group's Material Products.

The Group's products can be categorised into two types: (i) Material Products and (ii) Building Material Products. The Group generated most of its revenue from the Material Products which accounted for approximately 92.7% (30 June 2025: 93.3%) of total revenue. Local sales continued to be the Group's major source of revenue, representing approximately 71.8% (30 June 2025: 65.4%) of the total revenue while export sales only accounted for approximately 28.2% (30 June 2025: 34.6%) of the total revenue.

The table below sets forth the Group's revenue by products:

	For the six months ended 30 June			
	2026		2025	
	(RMB million)	% of Total Revenue	(RMB million)	% of Total Revenue
Material Products	598.82	92.68	552.20	93.34
Building Material Products	47.27	7.32	39.37	6.66
	646.09	100	591.57	100.00

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth the Group's revenue by geographical locations:

	For the six months ended	
	30 June	
	2026	2025
	(RMB million)	(RMB million)
PRC	463.63	387.13
Others	182.46	204.44
	646.09	591.57

During the six months ended 30 June 2026, the global market environment remained challenging due to geopolitical tensions, economic uncertainty and changes in consumer spending patterns. The Group will continue to strengthen its talent base, develop high-performance green products and enhance the use of digital technologies to maintain its competitiveness.

As at 30 June 2026, the Group owned a total of 129 patents with respect to the Material Products, of which 83 patents on inventions, 41 patents on practical new models and 5 patent on software copyrights.

Material Products

For the period under review, the Group's revenue generated from Material Products amounted to approximately RMB598.8 million (30 June 2025: RMB552.2 million) which accounted for approximately 92.7% (30 June 2025: 93.3%) of the Group's total revenue, representing an increase in sales of approximately 8.4%. The increase in revenue was mainly due to the growth in demand for Material Products.

Building Material Products

For the period under review, the Group's revenue generated from the Building Material Products amounted to approximately RMB47.3 million (30 June 2025: RMB39.4 million) which accounted for approximately 7.3% (30 June 2025: 6.7%) of total revenue, representing an increase in sales of approximately 20.0%.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Financial Results

Revenue

The Group's revenue for the six months ended 30 June 2026 was approximately RMB646.1 million, representing an increase of approximately RMB54.5 million, or 9.2%, compared to revenue of approximately RMB591.6 million for the same period last year. For the period under review, the Group's major sales segments, namely, (1) Material Products reported revenue of approximately RMB598.8 million (30 June 2025: RMB552.2 million) and (2) Building Material Products recorded revenue of approximately RMB47.3 million (30 June 2025: RMB39.4 million).

Gross Profit and Gross Margin

Gross profit was approximately RMB101.0 million for the period under review (30 June 2025: RMB100.9 million), with the gross profit margin of approximately 15.6% (30 June 2025: 17.0%). The decline in gross profit margin is primarily attributable to higher costs for Material Products stemming from the US_Iran conflict.

The table below sets forth the Group's gross profit margin by products:

	For the six months ended	
	30 June	
	2026	2025
	%	%
Material Products	16.3	17.6
Building Material Products	6.9	9.8
Overall	15.6	17.0

Selling and Distribution Costs

For the period under review, selling and distribution costs decrease by approximately RMB8 million to approximately RMB15.4 million, or 2.4% of revenue for the period under review, from approximately RMB23.4 million, or 4.0% of revenue for the same period last year.

Administrative Expenses

For the period under review, administrative expenses decreased by approximately RMB4.5 million or by 7.5%, from approximately RMB59.8 million to approximately RMB55.3 million. The decrease in administrative expenses was mainly due to a reduction in agency service fees.



MANAGEMENT DISCUSSION AND ANALYSIS

Research and Development

For the period under review, research and development (the “R&D”) costs amounted to approximately RMB26.2 million, or 4.1% of revenue (30 June 2025: RMB26.5 million, or 4.5% of revenue). The Group believes that its on-going R&D efforts are critical in maintaining long-term competitiveness, retaining existing customers, enhancing its ability to attract new customers and developing new markets. The Group continues to dedicate resources to the R&D activities in its Fuzhou and Shanghai plants and Fuqing Industrial Park aiming to lower the cost of raw materials, streamline manufacturing processes, increase production capacities, develop high value-added new materials, and expand new application of the products and customer sales market.

Finance Costs

Finance costs for the period under review were approximately RMB11.1 million (30 June 2025: RMB9.2 million). The increase was mainly due to the increase in bank borrowings during the period.

Other Income and gains

Other income and gains amounted to approximately RMB7.2 million for the period under review (30 June 2025: approximately RMB11.1 million). The decrease for the period was largely due to a drop in sundry income, which had been comparatively higher in the previous period.

Income Tax

For the period under review, the Group had an overall income tax expense of approximately RMB6.1 million (30 June 2025: RMB5.3 million). The slight increase was mainly due to the recognition during the period of an under-provision for PRC tax in prior years.

Profit for the Period

For the period ended 30 June 2026, the Group recorded a profit attributable to owners of the Company approximately RMB21.1 million, or RMB2.47 cents for basic earnings per share. As at the same period last year, the Group recorded a profit attributable to owners of the Company of approximately RMB17.2 million, or RMB2.02 cents for basic earnings per share. The increase in profit for the period was partly due to decrease in selling and distribution costs. The weighted average number of ordinary shares of 852,612,470 in issue during the period ended 30 June 2026 (30 June 2025: 852,612,470).

Dividends

The Board has resolved not to pay any interim dividend for the six months ended 30 June 2026 (30 June 2025: Nil).



MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resources

Total Equity

As at 30 June 2026, total equity amounted to approximately RMB889.0 million, representing an increase of 1.9%, compared to approximately RMB872.3 million as at 31 December 2025.

Financial Position

As at 30 June 2026, the Group had total current assets of approximately RMB843.3 million (31 December 2025: RMB762.6 million) and total current liabilities of approximately RMB563.6 million (31 December 2025: RMB475.1 million), with net current assets of approximately RMB279.7 million (31 December 2025: net current assets of RMB287.5 million).

As at 30 June 2026, the Group's net gearing (expressed as a percentage of total interest-bearing liabilities to total assets) was at 36.2%, as compared to 36.4% as at 31 December 2025.

Cash and Cash Equivalents

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB124.7 million (31 December 2025: RMB120.4 million), most of which were denominated in Renminbi ("RMB").

Bank Borrowings

As at 30 June 2026, the Group had interest-bearing bank borrowings of approximately RMB748.6 million (31 December 2025: RMB721.5 million). During the period, new bank loans of approximately RMB123.1 million were obtained.

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: Nil).

Capital Commitments

As at 30 June 2026, capital commitment of the Group amounted to approximately RMB55.2 million (31 December 2025: RMB45.8 million). The capital commitment will be funded partly by internal resources and partly by bank borrowings.



MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 June 2026, the Group's buildings, plant and machinery and construction in progress of approximately RMB526.1 million (31 December 2025: RMB535.1 million), leasehold land of approximately RMB73.2 million (31 December 2025: RMB74.2 million), investment properties of approximately RMB18.1 million (31 December 2025: RMB18.1 million) and bank deposits of approximately RMB52.1 million (31 December 2025: RMB57.9 million) were pledged to banks to secure bank loans and general banking facilities granted.

Events After The Reporting Period

There were no significant events after the reporting period.

Human Resources

As at 30 June 2026, the Group employed a total of 758 employees (31 December 2025: 734 employees).

The Group regards human capital as vital for its continuous growth and profitability and remains committed to improving the quality, competence and skills of all employees. The Group provided job related training throughout the organisation. The Group will continue to offer competitive remuneration packages and bonuses to eligible staffs, based on the performance of the employees.

Exposure to fluctuations in exchange rates and related hedge

The Group had some high-end products operated and sold on the European market. Given the reform of the Renminbi exchange rate, appreciation of US dollars and other factors, the exchange rate for Renminbi to US dollars fluctuated, resulting in exchange loss of certain trade orders to some extent. However, as the Group is principally engaged in business in Mainland China, most of the business transactions are settled in Renminbi ("RMB"). All subsidiaries of the Group do business within the RMB sphere, and their functional currency is RMB. The Group's reporting currency is RMB.

The Group's cash and bank deposits are predominantly in RMB. Based on the aforesaid, the Group does not enter into any agreement to hedge against any foreign exchange risk. The Company will pay dividends in Hong Kong Dollars if dividends are declared and it will continue to monitor the fluctuation of RMB closely and will introduce suitable measures as and when appropriate.

Save as disclosed above, there has been no material change in the development or future development of the Group's business and financial position, and no important event affecting the Group has occurred since the publication of the annual report of the Company for the year ended 31 December 2025.

Material Acquisitions or Disposals of subsidiaries, associates and joint venture

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.



MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

Prospects

During a period of continued global inflation, geopolitical tensions, energy crises, and other challenges, the Group actively responded to national policies by determining and adhering to the development policy of “prudent operation, green development, continuous innovation, and pursuit of excellence.” The Group ensured its stable operation through prudent operational strategies while seeking breakthroughs in green development, technological innovation, and other aspects to prepare for various challenges.

In the report on the implementation of the 2025 National Economic and Social Development Plan and the draft for the 2026 National Economic and Social Development Plan by the National Development and Reform Commission, the main tasks for the 2026 National Economic and Social Development Plan include leading the development of a modern industrial system through technological innovation, accelerating the formation of new productive forces, expanding domestic demand, and further leveraging the key role of consumption and investment. The development of the Group’s products is closely related to national economic development, and the industry will also see new development opportunities.

The Group will continue to upgrade its overall business and operating models with innovative technologies and up to date management:

1. vigorously developing ecological building materials products, further expanding overseas markets, speeding up deployment in the Chinese building materials market, and promoting the “Sijia super energy core” brand;
2. reinforcing the development of new materials business while developing new products actively, and exploring new application areas and new markets;
3. achieving the goals of digitalization of operation, efficient horizontal/vertical collaboration, integration of business and finance, as well as “refinement, profitability and standardization” of management in a phased manner, in order to capture the high ground in the new competitive dimension of the industry;
4. comprehensively implementing seven major development strategies: talent, safety, green, R&D, digitalization, supply chain management, and cultural strategies;
5. completing the first phase of the Fuqing Industrial Park project, with production operations entering the right track in the first phase;
6. establishing a safety management center of the Group to promote the informationization and centralized management of safety management in various subsidiaries;
7. implementing a high-level talent training plan, nurturing technical R&D and digital talents to lead the future development of business units;



MANAGEMENT DISCUSSION AND ANALYSIS

8. establishing an internal control audit center to continuously optimize internal control processes in procurement, production, sales, finance, and to improve operational efficiency;
9. establishing an Intelligent Manufacturing Technology Research Institute to promote the intelligent and automated transformation of production equipment in various subsidiaries;
10. enhancing the protection of intellectual property rights for new technologies and new processes, applying for more technology patents, building up the most innovative technology-based group in the industry, and creating value for the shareholders of the Company;
11. deepening the corporate culture construction of “Jia culture,” optimizing employee care work, conducting more cultural and sports activities, training activities, and promoting employees’ growth with the Group; and
12. actively fulfilling due corporate responsibilities, and actively participate in events of rural revitalization and hometown caring, participating in activities such as “1,000 enterprises helping 1,000 villages” and targeted education assistance for poverty alleviation.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
REVENUE	4	646,086	591,574
Cost of sales		(545,050)	(490,721)
GROSS PROFIT		101,036	100,853
Other income and gains	5	7,216	11,128
Selling and distribution costs		(15,414)	(23,437)
Administrative expenses		(55,297)	(59,810)
Share of profit of an associate		1,544	493
Other expenses		(4,584)	(112)
PROFIT FROM OPERATIONS		34,501	29,115
Reversal of impairment of/(impairment of) trade receivables, net		363	(472)
Finance costs	6	(11,115)	(9,228)
PROFIT BEFORE TAX	7	23,749	19,415
Income tax expense	8	(6,109)	(5,264)
PROFIT FOR THE PERIOD		17,640	14,151
Other comprehensive income/(expense) after tax:			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of the Company		1,894	1,287
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of the foreign operations		(2,766)	(1,233)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		16,768	14,205
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		21,055	17,211
Non-controlling interests		(3,415)	(3,060)
		17,640	14,151
TOTAL COMPREHENSIVE INCOME/(EXPENSE)			
Owners of the Company		20,183	17,265
Non-controlling interests		(3,415)	(3,060)
		16,768	14,205
EARNINGS PER SHARE (RMB cents)			
— Basic	10	2.47	2.02
— Diluted		2.47	2.02

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	11	962,242	928,233
Right-of-use assets		181,961	184,175
Investment properties		31,347	31,347
Intangible assets		1,184	1,249
Interest in an associate		18,433	16,889
Deposits paid for acquisition of property, plant and equipment		27,614	50,607
Equity investments at fair value through other comprehensive income		4,140	4,140
Deferred tax assets		2,566	2,890
Total non-current assets		1,229,487	1,219,530
Current assets			
Inventories		226,475	190,968
Trade and bills receivables	12	386,771	358,831
Prepayments, deposits and other receivables	13	53,222	34,438
Pledged bank deposits		52,128	57,914
Cash and cash equivalents		124,713	120,422
Total current assets		843,309	762,573
Current liabilities			
Trade and bills payables	14	293,981	257,158
Lease liabilities		800	817
Contract liabilities		5,312	4,167
Other payables and accruals	15	62,776	55,201
Interest-bearing borrowings	16	188,491	149,535
Deferred income		4,316	4,316
Due to a director		17	17
Tax payable		7,903	3,908
Total current liabilities		563,596	475,119
Net current assets		279,713	287,454
Total assets less current liabilities		1,509,200	1,506,984

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
	Notes		
Non-current liabilities			
Interest-bearing borrowings	16	560,089	571,941
Lease liabilities		1,453	1,844
Deferred income		38,630	40,788
Deferred tax liabilities		19,986	20,137
Total non-current liabilities		620,158	634,710
NET ASSETS		889,042	872,274
Capital and reserves			
Issued capital		747	747
Reserves		816,760	796,577
		817,507	797,324
Non-controlling interests		71,535	74,950
TOTAL EQUITY		889,042	872,274

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Issued capital RMB'000	Capital surplus/share premium* RMB'000	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Revaluation reserve* RMB'000	Accumulated losses* RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	747	566,403	28,994	164,411	(8,964)	126,038	(128,348)	749,281	78,152	827,433
Total comprehensive income/(expenses) for the period (unaudited)	-	-	-	-	54	-	17,211	17,265	(3,060)	14,205
Transfer (unaudited)	-	-	-	-	-	(58)	58	-	-	-
Capital contribution by a non-controlling shareholder (unaudited)	-	-	-	-	-	-	-	-	2,500	2,500
At 30 June 2025 (unaudited)	747	566,403	28,994	164,411	(8,910)	125,980	(111,079)	766,546	77,592	844,138
At 1 January 2026 (audited)	747	566,403	28,994	170,270	(9,394)	130,099	(89,795)	797,324	74,950	872,274
Total comprehensive (expenses)/income for the period (unaudited)	-	-	-	-	(872)	-	21,055	20,183	(3,415)	16,768
Transfer (unaudited)	-	-	-	-	-	(14)	14	-	-	-
At 30 June 2026 (unaudited)	747	566,403	28,994	170,270	(10,266)	130,085	(68,726)	817,507	71,535	889,042

* These reserve accounts comprise the consolidated reserves in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net cash generated from operating activities	36,065	59,110
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(39,615)	(30,736)
Proceeds from disposals of property, plant and equipment	126	12
Capital injection to an associate	–	(980)
Decrease in pledged bank deposits	5,786	3,847
Payment of deposits for acquisition of property, plant and equipment	(12,637)	(24,776)
Other investing cash flows	438	379
Net cash used in investing activities	(45,902)	(52,254)
CASH FLOWS FROM FINANCING ACTIVITIES		
New interest-bearing borrowings	123,111	111,500
Contribution from a non-controlling shareholder	–	2,500
Repayment of interest-bearing borrowings	(96,007)	(83,925)
Other financing cash flows	(12,104)	(9,636)
Net cash generated from financing activities	15,000	20,439
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,163	27,295
Cash and cash equivalents at beginning of period	120,422	83,350
Effect on exchange rate changes	(872)	85
Cash and cash equivalents at end of period	124,713	110,730
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	124,713	110,730



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

The Company is a limited company incorporated in the Cayman Islands on 7 October 2009. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is located at Room 1307, 13/F., New East Ocean Centre, 9 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited and have been suspended for trading since 14 February 2013.

The Company acts as an investment holding company. The Company, through its major subsidiaries, is principally engaged in the design, development, manufacture and sale of (i) polymer processed high strength polyester fabric composite materials and other reinforced composite and conventional materials ("Material Products") and (ii) PVC and Non-PVC composite materials of floorings and wall panels ("Building Material Products") during the period.

In the opinion of the directors of the Company (the "Directors"), as at the date of issue of these condensed consolidated financial statements, Hopeland International Holdings Company Limited ("Hopeland International") is the ultimate holding company of the Company; and Mr. Lin Shengxiong ("Mr. Lin") is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Interim Financial Statements do not include all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group's 2025 annual consolidated financial statements for the year ended 31 December 2025 ("2025 Annual Report"). The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in 2025 Annual Report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2026. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

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

4. REVENUE

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Sales of goods	646,086	591,574

There is only one operating segment which is principally engaged in the design, development, manufacture and sale of (i) Material Products and (ii) Building Material Products during the period. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 to 90 days. For new customers, payment in advance is normally required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. REVENUE (continued)

Disaggregation of revenue from contracts with customers:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Geographical markets		
PRC	463,627	387,135
Others	182,459	204,439
Total	646,086	591,574
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Major products		
Material products	598,817	552,199
Building Material Products	47,269	39,375
Total	646,086	591,574

The revenue was recognised at a point in time.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Interest income	438	379
Government subsidies (note)	4,310	2,419
Gain on lease termination	–	16
Gross rental income	2,081	2,150
Exchange gain, net	–	897
Sundry income	387	5,267
	7,216	11,128

Note: Government subsidies are received and used for development of new products, implementation of environmental protection development programmes and to acquire long-term assets. During the six months ended 30 June 2026 and 2025, the Group recognised the subsidies with no other specific conditions attached upon receipt, and the subsidies related to assets on a systematic basis over the useful life of the assets.

6. FINANCE COSTS

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Lease interest	45	62
Interest on bank loans	11,178	9,157
Interest on other loans	479	9
Total borrowing cost	11,702	9,228
Less: interest capitalised	(587)	–
	11,115	9,228

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

7. PROFIT BEFORE TAX

The Group's profit before tax is stated after charging:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Directors' remuneration	717	839
Depreciation of property, plant and equipment	33,219	35,266
Depreciation on right-of-use assets	2,895	3,579
Amortisation of intangible assets	2,455	2,193
Net loss on disposals of property, plant and equipment	110	3

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current tax – the PRC		
Charge for the period	4,036	4,136
Under-provision in prior years	1,901	952
Deferred tax	172	176
	6,109	5,264

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.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has to be provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period. No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong for the six months ended 30 June 2026 and 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

8. INCOME TAX EXPENSE *(continued)*

Pursuant to the approval of the tax bureau, in accordance with the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), Fujian Sijia Industrial Material Co., Ltd.# (福建思嘉環保材料科技有限公司) ("Fujian Sijia"), Sijia New Material (Shanghai) Co., Ltd.# (思嘉環保材料科技(上海)有限公司) ("Shanghai Sijia") and Fujian Sijia New Materials Technology Co., Ltd.# (福建思嘉新材料科技有限公司) ("Fujian Sijia New Materials") are subject to the tax rate of 15% for being a high-tech enterprise. Other subsidiaries are subject to a corporate income tax rate of 25% according to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法).

The English name is for identification only.

9. DIVIDEND

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

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the six months ended 30 June 2026 attributable to owners of the Company of approximately RMB21,055,000 (six months ended 30 June 2025: RMB17,211,000) and the weighted average number of approximately 852,612,470 (six months ended 30 June 2025: 852,612,470) ordinary shares in issue during the period.

Diluted earnings per share

Diluted earning per share for the six months ended 30 June 2026 and 2025 is the same as the basic earning per share as the Company did not have any dilutive potential ordinary shares during the periods.

The English name is for identification only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at a total cost of RMB73,495,000 (six months ended 30 June 2025: RMB19,983,000).

During the six months ended 30 June 2026, property, plant and equipment with a carrying amount of RMB236,000 (six months ended 30 June 2025: RMB15,000) were disposed of by the Group, resulting in a loss on disposals of RMB110,000 (six months ended 30 June 2025: RMB3,000).

12. TRADE AND BILLS RECEIVABLES

The Group's trading terms with customers mainly comprise credit and cash on delivery. The credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

The aging analysis of trade receivables at the end of the reporting period, based on the date the Group is entitled to receive, and net of allowance, is as follows:

	As at 30 June 2026 (Unaudited) RMB'000	As at 31 December 2025 (Audited) RMB'000
Within 3 months	260,735	245,648
More than 3 months but within 6 months	59,799	52,146
More than 6 months but within 1 year	37,884	45,054
More than 1 year	28,353	15,983
	386,771	358,831
Represented by:		
— third parties	386,771	358,402
— a related party (note)	—	429
	386,771	358,831

Note: The Group has receivable from a related party at the end of reporting period for sales of material products.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2026 (Unaudited) RMB'000	As at 31 December 2025 (Audited) RMB'000
Advances to suppliers (<i>note 1</i>)	20,728	12,414
Prepaid sales tax and government surcharges	25,252	14,564
Prepaid expenses	945	1,162
Other receivables	6,297	6,298
	53,222	34,438
Represented by:		
— third parties	52,714	33,582
— a related party (<i>note 2</i>)	508	856
	53,222	34,438

Note 1: The advances were paid to suppliers to secure the supply of raw materials at the end of the reporting period.

Note 2: The Group has prepaid for certain operating expenses, including utilities expenses to a related party at the end of reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

14. TRADE AND BILLS PAYABLES

	As at 30 June 2026 (Unaudited) RMB'000	As at 31 December 2025 (Audited) RMB'000
Trade payables	119,822	109,625
Bills payables	174,159	147,533
	293,981	257,158
Represented by:		
— third parties	279,699	252,636
— a related party (note)	14,282	4,522
	293,981	257,158

Note: The Group has payable to a related party at the end of reporting period for purchase of raw materials.

The aging analysis of trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2026 (Unaudited) RMB'000	As at 31 December 2025 (Audited) RMB'000
Within 3 months	193,540	128,500
More than 3 months but within 6 months	96,565	92,242
More than 6 months but within 1 year	3,876	36,416
	293,981	257,158

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 (Unaudited) RMB'000	As at 31 December 2025 (Audited) RMB'000
Accrued liabilities	25,215	18,120
Payroll payables	12,817	11,095
Payable for the acquisition of property, plant and equipment	17,411	25,092
Others	7,333	894
	62,776	55,201
Represented by:		
— third parties	62,776	55,201

16. INTEREST-BEARING BORROWINGS

During the period ended 30 June 2026, the Group obtained new interest-bearing borrowings of RMB123,111,000 as additional working capital (six months ended 30 June 2025: RMB111,500,000) and made repayments of interest-bearing borrowings of RMB96,007,000 (six months ended 30 June 2025: RMB83,925,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. COMMITMENTS

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

	As at 30 June 2026 (Unaudited) RMB'000	As at 31 December 2025 (Audited) RMB'000
Property, plant and equipment		
Contracted but not provided for	45,674	36,292
Capital contribution to an associate	9,527	9,527
	55,201	45,819

18. CONTINGENT LIABILITIES

At 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: Nil).

19. RELATED PARTY TRANSACTIONS

- (a) Other than as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related party during the period:

	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Revenue received from an associate	2	13
Raw materials purchased from an associate	36,249	19,533
Utilities expenses paid to an associate	508	1,555

- (b) The ultimate shareholder and a family member of the ultimate shareholder have guaranteed bank loans made to the Group of approximately RMB746,902,000 (as at 31 December 2025: RMB709,447,000).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

20. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

21. APPROVAL OF FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved and authorised for issue by the board of directors on 31 August 2026.



OTHER INFORMATION

RESULTS AND APPROPRIATIONS

The results of the Group for the six months ended 30 June 2026 are set out in the condensed consolidated statement of profit or loss and other comprehensive income on page 11.

The board of directors (the “Directors”) of the Company (the “Board”) does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: Nil).

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is dedicated to compliance with the requirements of relevant laws and regulations. Any failure to comply with such requirements may result in termination of the operation permit. The Group has allocated financial and human resources to ensure continuing compliance with the applicable rules and regulations and to maintain good working relationship with regulators through effective communications. During the period under review, the Group has complied with the Listing Rules, the Securities and Futures Ordinance, the Companies Ordinance, the Patent Law of the People’s Republic of China, the Contract Law and the Labour Law of the People’s Republic of China and other relevant laws and regulations.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries to all the Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares during the six months ended 30 June 2026.

DIRECTORS’ INTERESTS IN CONTRACTS

No director had a material interest, whether directly or indirectly, in any contract of significance to the business of the Company to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party at the end of 30 June 2026 or at any time during the six months ended 30 June 2026.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2026, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") of the Listing Rules were as follows:

(a) Long Positions in shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the Company
Mr. Lin Shengxiong	Interests in controlled corporation <i>(Note)</i>	410,886,000 <i>(Note)</i>	48.19% <i>(Note)</i>
Mr. Huang Wanneng	Beneficial owner	5,060,000	0.59%

Note: As at 30 June 2026, Mr. Lin Shenxiong, through his 100% equity interest in Hopeland International Holdings Company Limited held 410,886,000 shares of the Company, representing approximately 48.19% of the entire issued share capital of the Company.

(b) Long positions in shares of the associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the associated corporation
Mr. Lin Shengxiong	Hopeland International Holdings Company Limited	Beneficial owner	1	100.00%



OTHER INFORMATION

SHARE OPTION SCHEME

The Company has adopted its share option scheme (the “Share Option Scheme”) on 8 April 2010, and had been expired since 7 April 2020 and there were no new scheme was introduced up to the date of this report. As at 30 June 2026, there were no outstanding share options granted.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 June 2026 was the Company, its subsidiaries or its associate a party to any arrangement to enable the Directors and chief executives of the Company or their spouses or children under the age of 18, to acquire benefits by means of acquisition of shares in, or debentures of the Company or its associated corporation.

Save as disclosed above and the section “Share Option Scheme”, as at 30 June 2026, none of the Directors or the chief executive of the Company had or was deemed to have any interests in or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

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

As at 30 June 2026, the following persons or corporations, other than the interest disclosed above in respect of the directors, interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

Name of shareholder	Long/Short position	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the Company
Hopeland International Holdings Company Limited (<i>Note 1</i>)	Long position	Beneficial owner	410,886,000	48.19%
Mr. Lin Shengxiong (<i>Note 1</i>)	Long position	Interests in controlled corporation	410,886,000	48.19%
Ms. Lin Hongting (<i>Note 2</i>)	Long position	Interests of spouse	410,886,000	48.19%
Glory Bright Investments Enterprise Limited (<i>Note 3</i>)	Long position	Beneficial owner	59,011,000	6.92%
Mr. Lin Wanpeng (<i>Note 3</i>)	Long position	Interests in controlled corporation	59,011,000	6.92%
Ms. Wang Huiqing (<i>Note 4</i>)	Long position	Interests of spouse	59,011,000	6.92%

Notes:

- As at 30 June 2026, Mr. Lin Shengxiong through his 100% equity interest in Hopeland International Holdings Company Limited held 410,886,000 shares of the Company, representing approximately 48.19% of the entire issued share capital of the Company. Mr. Lin Shengxiong, is an executive Director of the Company.
- As at 30 June 2026, Ms. Lin Hongting, the spouse of Mr. Lin Shengxiong is deemed to be interested in 410,886,000 shares of the Company, representing approximately 48.19% of the entire issued share capital of the Company.
- Glory Bright Investments Enterprise Limited is beneficially owned by Mr. Lin Wanpeng. As at 30 June 2026, Mr. Lin Wanpeng is deemed to be interested in 59,011,000 shares of the Company, representing approximately 6.92% of the entire issued share capital of the Company.
- As at 30 June 2026, Ms. Wang Huiqing, the spouse of Mr. Lin Wanpeng is deemed to be interested in 59,011,000 shares of the Company, representing approximately 6.92% of the entire issued share capital of the Company.



OTHER INFORMATION

As at 30 June 2026, save as disclosed above, so far as was known to the Directors, no other person (other than the Directors or chief executive of the Company) had any interests or short position in the shares and/or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as notified to the Company.

MATERIAL ACQUISITION OR DISPOSALS

There was no material acquisition or disposal of subsidiaries by the Group during the six months ended 30 June 2026.

AUDIT COMMITTEE

The Audit Committee, comprises three independent non-executive Directors, has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026 have been reviewed by the audit committee, who is of the opinion that such accounts have complied with the applicable accounting standards, the Listing Rules and all legal requirements, and that adequate disclosures have been made.

SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended since 14 February 2013 and will remain suspended until further notice.

By Order of the Board

Liu Jun

Chairman

Hong Kong, 31 August 2026