



YUSEI HOLDINGS LIMITED

友成控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00096)



INTERIM REPORT 2026



*For identification only

YUSEI HOLDINGS LIMITED / INTERIM REPORT 2026

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CORPORATE INFORMATION

REGISTERED OFFICE

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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The PRC

BUSINESS ADDRESS IN HONG KONG

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COMPANY SECRETARY

Mr. Shum Shing Kei CPA

COMPLIANCE OFFICER

Mr. Xu Yong

AUDIT COMMITTEE

Mr. He Xiangli
Mr. Fan Xiaoping
Mr. Hisaki Takabayashi

REMUNERATION COMMITTEE

Mr. He Xiangli
Mr. Fan Xiaoping
Mr. Hisaki Takabayashi

NOMINATION COMMITTEE

Mr. He Xiangli
Mr. Fan Xiaoping
Mr. Hisaki Takabayashi

AUTHORISED REPRESENTATIVES

Mr. Xu Yong
Mr. Shum Shing Kei

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Services Limited
Shop 1712-1716, 17th Floor
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Hong Kong

STOCK CODE

96

AUDITOR

SHINEWING (HK) CPA Limited

PRINCIPAL BANKERS

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The PRC

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Shanghai Pudong Development Bank
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The PRC

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20/F, AZIA Center
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Pudong Shanghai
People's Republic of China

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2026, the Group is principally engaged in the design, development and fabrication of precision plastic injection moulds, and the manufacture of plastic components in the Peoples' Republic of China (the "PRC"). The Group also provides services for certain assembling and further processing of plastic components for its customers. The Group's customers are mainly the manufacturers of branded automobiles and related parts and components.

During the six months ended 30 June 2026, the Group faced intensified competition in China's automobile industry and still benefited from the growth of overseas business, resulting in a slight increase in sales revenue; however, profits declined amid intensified competition in the automobile industry and reduction in government subsidies. As a result, the Group's revenue and its profit attributable to shareholders of the Company for the six months ended 30 June 2026 was approximately RMB1,046,0215,000 and RMB13,952,000, respectively.

For the six months ended 30 June 2026, the Group incurred research and development expenses of approximately RMB46,930,000. The Group will continue to carry out research and development of moulding as the core, actively consolidate the technological advantages, and continue to strengthen the automated production, and improve the production processes so as to improve production efficiency. In addition, to enhance the cost advantage, the Group constructs production plants near to the main customers for providing fast and efficient services to the main customers. The Group had set up Yusei Mexico and Yusei Serbia (both are the Group's overseas subsidiaries) and installed the production lines for production and sales of the moulding and of auto parts and components in American and European markets, in order to become a global automotive parts supplier.

Meanwhile, in order to maintain the competitive advantage in the market segment, the Group continues to invest in purchasing more advanced equipment. In addition, we continue to put effort to develop the existing business and to explore new business.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 June 2026 increased by 3.7% to approximately RMB1,046,215,000 as compared to that of approximately RMB1,008,873,000 for the six months ended 30 June 2025 due to increase in demand of the Group's products.

Gross profit

The Group's gross profit for the six months ended 30 June 2026 was approximately RMB142,735,000, representing an increase of approximately 1.6% as compared to that of approximately RMB140,550,000 for the six months ended 30 June 2025. Increase in gross profit was mainly due to increase in revenue.

Distribution costs

The Group's distribution costs for the six months ended 30 June 2026 was approximately RMB71,677,000, representing an increase of approximately 10.2% as compared to RMB65,045,000 for the six months ended 30 June 2025. Such increase was mainly due to increase in transportation expenses and packing expenses attributable to increase in revenue.

Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2026 was approximately RMB51,131,000, as compared to that of RMB50,103,000 for the six months ended 30 June 2025.

Finance costs

The Group's finance costs for the six months ended 30 June 2026 was approximately RMB18,530,000 (2025: RMB17,560,000). The increase in finance costs was mainly due to increase in average balance of bank and other borrowings for the Group's business development.

Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company was approximately RMB13,952,000 for the six months ended 30 June 2026 (2025: approximately RMB28,375,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial resources and liquidity

As at 30 June 2026, the equity amounted to approximately RMB1,080,554,000 (31 December 2025: RMB1,064,437,000). Current assets amounted to approximately RMB1,604,130,000 (31 December 2025: RMB1,824,333,000), of which bank balances and cash totaling approximately RMB69,126,000 (31 December 2025: RMB143,266,000), pledged bank deposits of approximately RMB45,600,000 (31 December 2025: HK\$45,591,000), inventories of approximately RMB524,289,000 (31 December 2025: RMB606,641,000) and trade and bill receivables, deposit and prepayments of approximately RMB964,364,000 (31 December 2025: RMB1,019,180,000). The Group had non-current assets of approximately RMB1,492,442,000 (31 December 2025: RMB1,450,589,000) and its current liabilities amounted to approximately RMB1,801,413,000 (31 December 2025: RMB2,108,352,000), comprising mainly its creditors and accrued charges, and bank and other borrowings. Non-current liabilities amounted to approximately RMB214,605,000 (31 December 2025: RMB102,133,000). The net asset value per share was RMB1.70 (31 December 2025: RMB1.67). The Group expresses its gearing ratio as a percentage of lease liabilities and borrowings over total assets. As at 30 June 2026, the Group had a gearing ratio of 28.8% (31 December 2025: 26.8%).

Segment information

The sole principal activity of the Group is moulding fabrication, manufacturing and trading of moulds and plastic components. All the Group's operations are located and carried out in the PRC. As the Group operated in a single operating segment, no segmental analysis has been presented accordingly.

Employment and remuneration policy

As at 30 June 2026, the total number of the Group's staff was approximately 3,900 (2025: 3,200). The total staff costs amounted to approximately RMB205,000,000 for the period. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group provides retirement benefit for its employees in Hong Kong in form of mandatory provident fund and provides similar schemes for its employees in the PRC.

Charge on group assets

As at 30 June 2026, the Group's bank borrowings are secured by use-of-right assets, property, plant and equipment and investment properties of the Group with an aggregate net carrying values of approximately RMB65,000,000, RMB300,000,000 and RMB216,000,000, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2026, other loans of approximately RMB50,000,000 were secured by the Group's interest in associates with carrying values of approximately RMB63,183,000.

Foreign currency risk

The Group carries on business in Renminbi ("RMB"), United States dollars ("US\$") and JPY and therefore the Group is exposed to foreign currency risk as the values of these currencies fluctuate in the international market.

The Group's exposure to foreign currency risk is attributable to the debtors, deposits and prepayments; bank balances, deposits and cash; creditors and accrued charges; and bank borrowings of the Group which are denominated in foreign currencies of US\$, Euro and JPY. The functional currencies of the relevant group entities are RMB and HK\$. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the directors monitor the related foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Material acquisitions and disposal

The Group did not make any significant investments or material acquisitions and disposals of subsidiaries during the six months ended 30 June 2026.

Contingent liabilities/Capital commitments

As at 30 June 2026, the Group had no material contingent liabilities and capital commitments.

OUTLOOK

Management will actively adopt the Group's strategy to leverage on the experience of its management team in the plastic component manufacturing industry and its expertise in mould development to enhance the quality of its products, expand its customer base and strengthen the leading position in the high-end mould industry and its overall core competitiveness in relation to the one-stop services ranging from products development, plastic injection, aluminium-plating and assembling, with determination to become a globally competitive automotive parts supplier.

MANAGEMENT DISCUSSION AND ANALYSIS

As a service provider to the well-known international branded manufacturers, the management believes that the Group possesses the managerial characteristics which our major customers may appreciate, including: (i) high-level demand on the quality of the products, particularly in the automotive parts and components, office automation machines like assembling parts of photocopies and printers must meet a high standard of precision in order to ensure the machine work effectively; (ii) emphasis on production efficiency to shorten the production cycle; (iii) active participation in production process of the suppliers to ensure the product quality and the mutual communication to improve the suppliers' production efficiency; and (iv) the Group constructs the factories of automation with automation machineries based on our own needs. It enhances the production efficiency and reduces the labour costs. In addition, to deliver the parts and components of high precision to the customers, the Group put much efforts in acquisition of advanced production machineries which were made by the international well-known branded manufacturers. Meanwhile, the Group self-developed an information system and has become a high-quality service provider for the digital transformation of various manufacturing companies.

For keeping abreast of the current development in the market and the customers' needs, the Group strengthens the communication with customers in USA and Japan. Apart from seconding technicians to Japan for training, the Group employed experienced salesmen and technicians from Europe, America and Japan to improve the capability of marketing and technical ability.

Meanwhile, the Group continues to strengthen intelligent construction in order to improve the operating efficiency of the enterprise. The Group introduced high-level software talents and self-developed ERP, MES and other information systems, with combination of upgrades and transformation on automation, to achieve digitalization and visualization of processes across product development, production process, inventory warehousing and delivery. It greatly improved production efficiency and ensured quality stability.

As regards the quality of the products, the Group had adopted ERP system to facilitate the production flow and monitor the product quality. To response the changing technology in the industry, the Company will continue to acquire and install advanced machinery and equipment and to increase the ability to design and develop precision plastic injection moulds. The Company will rely on the one-stop solution from precision mould, plastic injection, aluminium plating to assembling to improve the sales network to capture opportunities in order to increase market share and to enlarge the customer bases. Nevertheless, the Group is cautious in accepting the new customers and we take into account of all factors in the process, including product pricing and the reputation of the potential customers and so on. For market exploring, the Group will continue to promote its business internationally.

MANAGEMENT DISCUSSION AND ANALYSIS

In order to keep up with the development of auto industry and to further meet customer demand, the Group, penetrating in 3 largest automobile manufacturing markets in Europe, Asia and America, will continue to put resources, when appropriate, to develop new business. In response to the development pace of their customers, the Group will install additional production lines for production for moulding and of auto parts and components in PRC, American and European markets, when appropriate.

The Company's subsidiary, Hangzhou Yusei Tech Co., Ltd. ("Yusei Tech"), is dedicated to developing and building SaaS cloud computing software systems for manufacturing enterprises. These systems leverage cloud computing and big data analytics to manage all aspects of the enterprise's production chain and ultimately deliver data. Yusei Tech has been recognized as a National High-Tech Enterprise, a Provincial-Level Intelligent Manufacturing Supplier, a Provincial-Level Industrial Digitalization Service Provider, a Provincial-Level Industrial Internet Creation Unit, a Provincial-Level Science and Technology-based SME, a Municipal Level High-Tech Enterprise, a Municipal-Level Emerging Enterprise, a Municipal-Level High-Tech Enterprise R&D Center, a Municipal-Level High-Quality Digitalization Service Provider, a Municipal Level High-Tech Enterprise Digital Transformation City Solution Excellent Service Provider, a leading solution provider for the municipal government's AI large-scale model in manufacturing, a district-level key industrial internet platform, a district-level technology-related enterprise, and a district-level refined industrial digitalization general contractor. Furthermore, Yusei Tech has obtained ISO 9001 Quality Management System, ISO 20000 Information Technology Service System, ISO 27001 Information Security Management System, and CMMI Level 3 Software Development Maturity Certification.

Since its establishment in 2017, Yusei Tech has served more than 200 automotive parts and high-end equipment manufacturing companies. It has also established a deep ecosystem partnership with Alibaba's DingTalk, using industrial artificial intelligence as a support to create an intelligent application platform for the automotive parts industry, becoming another growth driver for the Group.

DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2026 (2025: Nil). Therefore, no closure of register of members is necessary.

SUPPLEMENTARY INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

The Shares of the Company were listed on GEM of the Stock Exchange on 13 October 2005 and were withdrawn from the GEM on 14 December 2010. On 15 December 2010, the Company's shares were listed on the Main Board of the Stock Exchange. The interests and/or short position of the Directors and chief executives of the Company in the Shares, underlying shares in respect of equity derivatives and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO); or which was required pursuant to section 352 of the SFO to be entered in the register referred to therein; or which was required pursuant to the Listing Rules relating to securities transactions by the directors to be notified to the Company and the Stock Exchange are as follows:

Name of Company	Name of Director	Capacity			Number of shares		
		Personal Interests	Family Interests	Corporate Interests	Long Position	Short Position	Approximate Percentage of interests
Company	Katsutoshi Masuda ("Mr. Masuda") (Note 1)	–	–	223,316,864 shares	223,316,864 shares	–	35.08%
Company	Toshimitsu Masuda (Note 2)	–	–	223,316,864 shares	223,316,864 shares	–	35.08%
Company	Xu Yong	–	–	112,970,000 shares	112,970,000 shares	–	17.75%
Company	Manabu Shimabayashi	7,900,800 shares	–	–	7,900,800 shares	–	1.24%

SUPPLEMENTARY INFORMATION

Name of Company	Name of Director	Capacity			Number of shares		Approximate Percentage of interests
		Personal Interests	Family Interests	Corporate Interests	Long Position	Short Position	
Company	Fan Xiaoping	57,024 shares	–	–	57,024 shares	–	0.01%
Conpri Limited ("Compri")	Mr. Masuda (Note 3)	148,052 shares	–	–	148,052 shares	–	44.03%
Compri	Toshimitsu Masuda (Note 4)	60,140 shares	–	–	60,140 shares	–	17.89%

Notes:

1. Mr. Masuda holds 44.03% of the issued share capital of Conpri. Conpri is interested in 35.08% in the issued share capital of the Company. Mr. Masuda is deemed to be interested in 100% of the issued share capital in Conpri pursuant to the SFO. Conpri is interested in 35.08% in the issued share capital of the Company and that Conpri or its directors are accustomed or obliged to act in accordance with the directions or instructions of Mr. Masuda. By virtue of SFO, Mr. Masuda is deemed to be interested in 223,316,864 Shares held by Conpri.
2. Mr. Toshimitsu Masuda, (son of Mr. Masuda) holds 17.89% of the issued share capital of Conpri. Conpri is interested in 35.08% in the issued share capital of the Company. By virtue of SFO, Mr. Toshimitsu Masuda is deemed to be interested in 223,316,864 Shares through his shareholding in Conpri.
3. Mr. Masuda holds 44.03% of the issued share capital of Conpri. Conpri or its directors are accustomed or obliged to act in accordance with the directions or instructions of Mr. Masuda.
4. Mr. Toshimitsu Masuda, (son of Mr. Masuda) holds 17.89% of the issued share capital of Conpri. Conpri is interested in 35.08% in the issued share capital of Company. By virtue of SFO,

SUPPLEMENTARY INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The Shares of the Company were listed on GEM of the Stock Exchange on 13 October 2005 and were withdrawn from the GEM on 14 December 2010. On 15 December 2010, the Company's shares were listed on the Main Board of the Stock Exchange. So far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had an interest and/or a short position in the shares or underlying shares in respect of equity derivatives of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or be recorded in the register of the Company or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying right to vote in all circumstances at general meetings of any other member of the Group are as follows:

Name of Company	Number of shareholder	Capacity	Number of shares		
			Long Position	Short Position	Approximate percentage of interests
Company	Conpri	Beneficial Owner	223,316,864 shares	–	35.08%
Company	Honour Art Investment Limited (Note 2)	Beneficial Owner	112,970,000 shares	–	17.75%
Company	Superview International Investment Limited (Note 1)	Beneficial Owner	110,880,000 shares	–	17.42%
Company	Ding Hong Guang	Beneficial Owner	60,104,640 shares	–	9.44%

Notes:

- Superview International Investment Limited is wholly owned by Mr. Xu Yue, an elder brother of Mr. Xu Yong who is an executive director of the Company.
- Honour Art Investment Limited is wholly owned by Mr. Xu Yong who is an executive director of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or their respective associates was granted by the Company or its subsidiary any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right as at 30 June 2026.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2026, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Appendix 10 to the Listing Rules. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

AUDIT COMMITTEE

The Company has established an audit committee comprising of the three independent non-executive directors, namely Mr. Hisaki Takabayashi, Mr. Fan Xiaoping and Mr. He Xiangli, with written terms of reference in compliance with the Listing Rules. The primary duties of the audit committee are (i) to review, in draft form, the Company's annual report and accounts, half-yearly report and providing advice and comments thereon to the Board; and (ii) to review and supervise the Company's financial reporting and internal control procedures. Mr. He Xiangli is the chairman of the audit committee.

The audit committee has reviewed and approved the interim results announcement of the Group for the six months ended 30 June 2026.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

DIRECTORS' INTEREST IN A COMPLETING BUSINESS

Conpri Limited ("Conpri") beneficially owns approximately 35.08% equity interest of the Company. In addition, Conpri is owned as to 44.0% by Mr. Masuda, as to 17.9% by Mr. Toshimitsu Masuda and as to 38.1% (non-voting) by a staff organization of Yusei Machinery Corporation ("Yusei Japan"), respectively.

SUPPLEMENTARY INFORMATION

With its production and business operations based in Japan, Yusei Japan is principally engaged in the design, fabrication and sales of plastic injection moulds, and, to a lesser extent, the manufacture and sales of plastic component products. The plastic injection moulds fabricated by Yusei Japan are mainly applicable for the manufacture of headlight components including glass lens and reflector, automobile gauge board and other interior components for automobiles. Furthermore, Yusei Japan also fabricates plastic injection moulds for the manufacturing of peripheral plastic components for air conditioners and component parts for fishing tools.

Notwithstanding that the Group and Yusei Japan are engaged in similar business activities to certain extent, there is a clear delineation and independence of the Group's business from that of Yusei Japan. In particular, the Group's target markets (being the PRC, Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC) are territorially different from that of Yusei Japan. The locations of the production facilities are different and separate between the Group and Yusei Japan. The management responsible for the day-to-day operations of the Group and Yusei Japan is also different. The Directors believe that Yusei Japan does not compete with the Group.

Notwithstanding that the Directors believe that Yusei Japan does not compete with the Group, to clearly delineate the business operations of the Group from that of Yusei Japan and to avoid any possible future competition with the Group, Yusei Japan and its shareholders (collectively "the Covenantors") have entered into a deed of non-competition dated 19 September 2005 (the "Deed of Non-competition"), pursuant to which each of the Covenantors irrevocably and unconditionally undertakes and covenants with the Company that each of the Covenantors shall:

- (1) not either on his/her/its own account or for any other person, firm or company, and (if applicable) shall procure that its subsidiaries (other than the Company and any member of the Group) or companies controlled by each of the Covenantors shall not either on its own behalf or as agent for any person, firm or company and either directly or indirectly (whether as a shareholder, partner, consultant or otherwise and whether for profit, reward or otherwise) at any time solicit, interfere with or endeavour to entice away from any member of the Group any person, firm, company or organisation who to its knowledge is from time to time or has at any time been a customer or supplier or a business partner of any member of the Group;

- (2) not either alone or jointly with any other person, firm or company, carry on (including but not limited to making investments, setting up distribution channels and/or liaison offices and creating business alliances), participate, be engaged, concerned or interested in or in any way assist in or provide support (whether financial, technical or otherwise) to any business similar to or which competes (either directly or indirectly) or is likely to compete with the business of the design, development and fabrication of precision plastic injection moulds or the manufacturing of plastic components in the Group's Exclusive Markets or the provision of certain assembling and further processing of plastic components for customers (the "Business") from time to time carried out by any member of the Group (provision of assistance and support to the Group excepted) including the entering into of any contracts, agreements or other arrangements in relation to any of the above;
- (3) not directly or indirectly sell, distribute, supply or otherwise provide products that are within the Group's Product Portfolio to any purchaser or potential purchaser of any products within the Group's Product Portfolio in the Group's Exclusive Markets (the "Customers") and upon receipt of any enquiry from Customers for products which are within the Group's Product Portfolio, to refer to the Company or any member of the Group all such business opportunities received by the Covenantors and provide sufficient information to enable the Company or any member of Group to reach an informed view and assessment on such business opportunities;
- (4) not directly or indirectly sell, distribute, supply or otherwise provide any products that are within the Group's Product Portfolio where the relevant Covenantor(s) know(s), or is reasonably regarded as should have known, that such products are destined to be re-sold, re-distributed or re-supplied for the purpose of commercial exploitation in the Group's Exclusive Markets;
- (5) upon receipt of any order or enquiry from customers outside the Group's Exclusive Markets for products which are within the Group's Product Portfolio and where the relevant Covenantor(s) know(s), or is reasonably regarded as should have known, that such products are destined to be re-sold, re-distributed or re-supplied for the purpose of commercial exploitation in the Group's Exclusive Markets, the relevant Covenantor shall inform the Group in writing of such order or enquiry and refer such customer to contract directly with the Group for the order of the relevant product;

SUPPLEMENTARY INFORMATION

- (6) not do or say anything which may be harmful to the reputation of any member of the Group or which may lead any person to reduce their level of business with any member of the Group or seek to improve their terms of trade with any member of the Group; and
- (7) not solicit or entice or endeavour to solicit or entice any of the employees of or consultants to the Group to terminate their employment or appointment with any member of the Group.

Saved as disclosed above, none of the directors of the Company had an interest in a business which competes or may compete with the business of the Group.

CORPORATE GOVERNANCE

During the period under review, the Group has complied with the relevant regulations in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the deviation from the code provision A.1.8. of the Code. The Board and the senior management of the Group have earnestly appraised the requirements of the Code and reviewed the practices of the Group to ensure full compliance with the Code.

Under the code provision A.1.8, the Group should arrange appropriate insurance cover in respect of legal action against its directors. However, as the Group's business are relatively unitary, the Directors can easily comprehend these businesses. At the same time, the Directors are equipped with the adequate spirit and expertise in making corporate decisions. Furthermore, the Directors consider that the management has placed emphasis on control cover corporate risks from time to time, and has strictly complied with the Listing Rules and the relevant regulations. Therefore, it is not necessary to purchase insurance for the Directors and Chief Executive.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	2026 RMB'000	2025 RMB'000
Revenue	3	1,046,215	1,008,873
Cost of sales		(903,480)	(868,323)
Gross profit		142,735	140,550
Other income	4	17,256	26,923
Distribution costs		(71,677)	(65,045)
Administrative expenses		(51,131)	(50,103)
Finance costs		(18,530)	(17,560)
Share of profits of an associate		514	209
Profit before tax	5	19,167	34,974
Income tax expense	6	(2,877)	(6,122)
Profit for the period		16,290	28,852
Dividend		—	—
Earnings per share			
Basic and diluted	7	RMB0.0219	RMB0.0446

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	2026 RMB'000	2025 RMB'000
Profit for the period	16,290	28,852
Other comprehensive income for the period:		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operation	(173)	(470)
Total comprehensive income for the period	16,117	28,382
Profit attributable to:		
Owners of the Company	13,952	28,375
Non-controlling interest	2,338	477
	16,290	28,852
Total comprehensive income attributable to:		
Owners of the Company	13,779	27,905
Non-controlling interest	2,338	477
	16,117	28,382

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		1,006,115	957,290
Right-of-use assets		186,660	188,693
Investment properties		216,217	219,403
Intangible assets		6,871	9,138
Goodwill		—	—
Deposit paid for purchase of property, plant and equipment		6,675	6,675
Deferred tax asset		6,721	6,721
Interests in associates		63,183	62,669
		1,492,442	1,450,589
Current assets			
Inventories		524,289	606,641
Trade and bills receivables, deposits and prepayments	8	964,364	1,019,180
Amount due from a director		—	891
Amount due from an associate		751	751
Tax recoverable		—	8,013
Pledged bank deposits		45,600	45,591
Bank balances, deposits and cash		69,126	143,266
		1,604,130	1,824,333
Current liabilities			
Trade and other payables	9	1,118,926	1,324,890
Amounts due to associates		—	1,403
Income tax liabilities		3,315	—
Bank and other loans — due within one year		679,172	782,059
		1,801,413	2,108,352
Net current assets/(liabilities)		(197,283)	(284,019)
Total assets less current liabilities		1,295,159	1,166,570

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Deferred income — government subsidy		639	5,580
Bank loans — due after one year		213,966	96,553
		214,605	102,133
		1,080,554	1,064,437
Capital and reserves			
Share capital		5,801	5,801
Reserves		1,052,407	1,038,628
		1,058,208	1,044,429
Non-controlling interest		22,346	20,008
		1,080,554	1,064,437

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Reserve for shares issued with vesting conditions RMB'000	Translation Reserve RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non- controlling interest RMB'000	Total RMB'000
1 January 2025	5,801	123,375	49,663	18,065	(13,671)	71	57,091	713,422	953,817	14,262	968,079
Profit for the period	-	-	-	-	-	-	-	28,375	28,375	477	28,852
Other comprehensive income for the period	-	-	-	-	(470)	-	-	-	(470)	-	(470)
Total comprehensive income for the period	-	-	-	-	(470)	-	-	28,375	27,905	477	28,382
At 30 June 2025	5,801	123,375	49,663	18,065	(14,141)	71	57,091	741,797	981,722	14,739	996,461
1 January 2026	5,801	123,375	49,663	18,065	(16,198)	71	64,751	798,901	1,004,429	20,008	1,064,437
Profit for the period	-	-	-	-	-	-	-	13,952	13,952	2,338	16,290
Other comprehensive income for the period	-	-	-	-	(173)	-	-	-	(173)	-	(173)
Total comprehensive income for the period	-	-	-	-	(173)	-	-	13,952	13,779	2,338	16,117
At 30 June 2026	5,801	123,375	49,663	18,065	(16,371)	71	64,751	812,853	1,058,208	22,346	1,080,554

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	2026 RMB'000	2025 RMB'000
Net cash generated from/(used in) operating activities	61,148	(68,310)
Net cash generated from/(used in) investing activities	(120,753)	(99,107)
Net cash generated from/(used in) financing activities	(14,535)	87,871
Increase/(Decrease) in cash and cash equivalents	(74,140)	(79,546)
Cash and cash equivalents at beginning of period	143,266	188,892
Cash and cash equivalents at end of period, representing Bank balances deposits and cash	69,126	109,346

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Company is a public limited company incorporated in the Cayman Islands as an exempted company with limited liability on 4 April 2005. On 13 October 2005, the shares of the Company were listed on the Growth Enterprises Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and were withdrawn from the GEM on 14 December 2010. On 15 December 2010, the Company’s shares were listed on the Main Board of the Stock Exchange.

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the “Listing Rules”).

The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual report for the year ended 31 December 2025, except for the adoption of the amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) as of 1 January 2026 that are relevant to its operations. The adoption of these amendments to HKFRSs had no significant financial effect on these financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(S)”)

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2026 for the preparation of the Group’s condensed consolidated financial statements:

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 Amendments to HKFRS	Accounting Standards Improvements to HKFRS Accounting Standards — Volume 11

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE

Revenue represents the net amounts received and receivable for goods sold to outside customers, less returns and discounts, and net of value-added tax ("VAT").

4. OTHER INCOME

Other income includes the gain on sales of raw and scrap materials and government subsidies.

5. PROFIT BEFORE TAXATION

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories recognized as an expense	851,860	823,540
Depreciation of right-of-use assets	2,033	1,995
Amortisation of intangible (recognized as administrative expenses)	2,267	2,338
Depreciation of property, plant and equipment	71,928	81,735

6. TAXATION

(i) Overseas income tax

The Company is incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands.

(ii) Hong Kong profits Tax

No provision for Hong Kong Profits Tax had been made as the Group did not generate any assessable profits in Hong Kong during both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(iii) PRC EIT

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The applicable tax rate of the Company’s subsidiaries, 廣州友成機工有限公司 Guangzhou Yusei Machinery Co., Ltd.* (“Guangzhou Yusei”), 杭州友成機工有限公司 Hangzhou Yusei Machinery Co., Ltd.* (“Hangzhou Yusei”), 湖北友成塑料模具有限公司 Hubei Yusei Plastics & Mould Co., Ltd.* (“Hubei Yusei”), 友成（中國）模具有限公司 Yusei China Moulding Co., Ltd.* (“Yusei China”), 杭州友成模具技術研究有限公司 Hangzhou Yusei Moulding Technology Co., Ltd.* (“Yusei Technology”), 蘇州友成機工有限公司 Suzhou Yusei Machinery Co., Ltd.* (“Suzhou Yusei”), 吉林東光友成機工有限公司 Jilin Dongguang Yusei Machanic Co., Ltd.* (“Jilin Yusei”), 杭州友成科技有限公司 Hangzhou Yusei Tech Co., Ltd (“Yusei Tech”) and 友成機工（天津）有限公司 Youcheng Machinery (Tianjin) Co., Ltd.* (“Tianjin Yusei”) for both years was 15%.

On 9 December 2016, Guangzhou Yusei was approved by Science and Technology Department of Guangdong Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 9 December 2016. Guangzhou Yusei has further obtained the renewal of its high technology qualification on 2 December 2019 and 2 December 2022 and is entitled to the concession rate of 15% from 2019 to 2022 and 2022 to 2026 respectively.

On 30 November 2018, Hangzhou Yusei was approved by Science and Technology Department of Zhejiang Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 30 November 2018. Hangzhou Yusei has further obtained the renewal of its high technology qualification on 16 December 2021 and 6 December 2025 and is entitled to the concession rate of 15% from 2021 to 2025 and 2025 to 2027.

On 15 November 2021, Hubei Yusei was approved by Science and Technology Department of Hubei Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 15 November 2021. Hubei Yusei has further obtained the renewal of its high technology qualification on 27 November 2025 and is entitled to the concession rate of 15% from 2025 to 2027.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On 16 December 2021, Yusei China and Yusei Technology were approved by Science and Technology Department of Zhejiang Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 16 December 2021. Yusei China and Yusei Technology have further obtained the renewal of its high technology qualification on 6 December 2025 and is entitled to the concession rate of 15% from 2025 to 2027.

On 12 October 2022, Suzhou Yusei was approved by Science and Technology Department of Suzhou Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 12 October 2022. Suzhou Yusei obtained a renewal of its high-tech enterprise qualification on 18 November 2025, and will enjoy a preferential tax rate of 15% from 2026 to 2029.

On 16 December 2021, Jilin Yusei was approved by Science and Technology Department of Jilin Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 21 December 2021. Jilin Yusei has further obtained the renewal of its high technology qualification on 6 December 2025 and is entitled to the concession rate of 15% from 2025 to 2027.

On 24 December 2022, Yusei Tech was approved by Science and Technology Department of Zhejiang Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 24 December 2022.

On 8 December 2023, Tianjin Yusei was approved by Science and Technology Department of Tianjin Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 8 December 2023.

* The English names are for identification purposes only.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share	13,952	28,375
	2026 '000	2025 '000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	636,550	636,550

Diluted earnings per share is same as basic earnings per share for the periods ended 30 June 2026 and 2025 as there is no potential ordinary shares outstanding.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. TRADE AND BILLS RECEIVABLE, DEPOSITS AND PREPAYMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	798,314	847,660
Less: impairment loss recognised	(9,799)	(9,799)
	788,515	837,861
Bills receivable	103,020	62,791
Advance to suppliers	33,475	32,610
Prepayment	8,087	26,458
Tax recoverable	10,542	13,386
Other receivables and deposits	20,725	46,074
	964,364	1,019,180

Note:

The Group allows a general credit period of 30 to 90 days to its customers. For customers who purchased moulds from the Group and have established good relationships with the Group, the credit period may be extended to the range from 90 days to 270 days. The Group does not hold any collateral over these balances.

The aged analysis of trade receivables, net of provision of impairment loss recognised presented based on the invoice dates, which approximated the respective revenue recognition dates, are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 30 days	208,224	281,068
31 to 60 days	202,795	216,487
61 to 90 days	151,874	163,474
91 to 180 days	146,692	102,657
181 to 365 days	63,765	44,695
Over 365 days	15,165	29,480
	788,515	837,861

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. TRADE PAYABLES AND ACCRUED CHARGES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables and bills payables	821,330	962,531
Value-added tax payables	6,485	2,932
Contract liabilities	70,614	109,959
Payables on property, plant and equipment	60,689	60,689
Interest payables	2,996	1,253
Other payables	70,572	86,272
Staff costs accrued	49,146	60,980
Accruals	37,094	40,274
	1,118,926	1,324,890

The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 30 days	345,483	372,776
31 to 60 days	204,145	215,777
61 to 90 days	135,388	115,921
91 to 180 days	86,976	206,378
181 to 365 days	40,532	33,557
Over 365 days	8,806	18,122
	821,330	962,531

The average credit period on purchase of goods is 30 to 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. APPROVAL OF FINANCIAL STATEMENTS

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

As at the date of this report, the executive directors are Mr. Xu Yong, Mr. Manabu Shimabayashi and Ms. Xu Shiney Xiaoying; the non-executive directors are Mr. Katsutoshi Masuda and Mr. Toshimitsu Masuda; the independent non-executive directors are Mr. He Xiangli, Mr. Fan Xiaoping and Mr. Hisaki Takabayashi.