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武漢有機控股有限公司
WUHAN YOUJI HOLDINGS LIMITED

Wuhan Youji Holdings Limited

武漢有機控股有限公司

(Formerly known as Wuhan Youji Holdings Ltd.)

(Incorporated in the Cayman Islands and re-domiciled to Hong Kong with limited liability)

(Stock Code: 2881)

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO (I) DISPOSAL OF RESIN WORKSHOP ASSETS; AND (II) TERMINATION OF PROPERTY LEASING AGREEMENT

Independent Financial Adviser to the Independent Board Committee



軟庫中華 SBI China

INTRODUCTION

The Board announces that on 22 October 2026 (after trading hours), Wuhan Youji, a wholly-owned subsidiary of the Company, entered into the Asset Transfer Agreement with Twin Tigers Coatings, pursuant to which Wuhan Youji agreed to dispose of, and Twin Tigers Coatings agreed to acquire, the Disposal Assets for a total consideration of RMB50,365,635.41.

Upon Completion, Wuhan Youji and Twin Tigers Coatings will also terminate the Lease Agreement. The Group does not provide for any separate consideration or compensation in respect of the Lease Termination.

THE ASSET TRANSFER AGREEMENT

Date	:	22 October 2026
Parties	:	(i) Wuhan Youji, as Vendor; and (ii) Twin Tigers Coatings, as Purchaser.
Subject matter	:	Wuhan Youji conditionally agreed to dispose of, and Twin Tigers Coatings conditionally agreed to acquire, the Disposal Assets. The Disposal Assets comprise 107 items of machinery and equipment located at No. 1 Chemical Second Road, Wuhan Chemical Industrial Park, Wuhan, the PRC, which are used in the resin workshop, the intermediate tank area and their ancillary facilities. The Disposal Assets include, among others, MVR evaporation equipment, DCS equipment, industrial explosion-proof platform scales and related production and ancillary equipment. The Disposal does not include the land or factory buildings.
Consideration	:	RMB50,365,635.41 comprises the transfer price of RMB44,571,358.77, and value-added tax of RMB5,794,276.64. Each party shall bear the taxes and fees payable by it in accordance with applicable PRC laws and regulations.
Condition precedent	:	The implementation and completion of the Transactions are conditional upon the Independent Shareholders having approved the Asset Transfer Agreement and the Transactions contemplated thereunder at the EGM in accordance with the Listing Rules, the articles of association of the Company and applicable laws.

Payment : The Consideration shall be paid by Twin Tigers Coatings to Wuhan Youji in cash by instalments in accordance with the payment schedule set out below.

Payment period	Amount payable
Within five business days after the date on which the last of the conditions precedent is fulfilled	RMB3,000,000.00
Within five business days after the first monthly anniversary of the date on which the last of the conditions precedent is fulfilled	RMB6,000,000.00
Within five business days after the second monthly anniversary of the date on which the last of the conditions precedent is fulfilled	RMB9,000,000.00
Within five business days after the third monthly anniversary of the date on which the last of the conditions precedent is fulfilled	RMB12,000,000.00
Within five business days after the fourth monthly anniversary of the date on which the last of the conditions precedent is fulfilled	RMB20,365,635.41
Total	RMB50,365,635.41

In agreeing to the deferred payment terms, the Board has taken into account the financial position and historical payment record of Twin Tigers Coatings, the payment period extending for approximately four months after Completion and any other credit support available to the Group. The Directors consider that the payment terms are fair and reasonable and on normal commercial terms or better to the Group.

Completion : Completion shall take place within three business days after the date on which all the Conditions Precedent have been fulfilled.

On the date of Completion, the parties shall jointly inspect and verify the quantity, specifications, condition and ancillary facilities of the Disposal Assets and shall sign an asset handover and acceptance form. Completion shall take place upon the signing of such form, at which time title to the Disposal Assets shall pass to Twin Tigers Coatings.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between Wuhan Youji and Twin Tigers Coatings, with reference to the appraised net value of the Disposal Assets of RMB44,571,358.77 as at 31 July 2026 ("**Valuation Date**") as set out in the Valuation Report.

The valuation was prepared on a market value basis and the appraised values stated in the Valuation Report are exclusive of value-added tax.

The Valuer adopted the replacement cost method under the cost approach. Under this method, the appraised value of each item of equipment was determined by reference to its replacement cost, adjusted to reflect its assessed newness rate, taking into account its physical condition, remaining useful life, functional utility and economic obsolescence. In selecting the valuation approach, the Valuer considered the nature of the Disposal Assets as individual items of machinery and equipment. The applicable PRC asset valuation standards do not invariably require the adoption of two or more valuation approaches when valuing individual assets. Having regard to the nature of the Disposal Assets, the Valuer adopted the replacement cost method under the cost approach for the Valuation.

Determination of replacement cost

In determining the purchase price component of the replacement cost:

1. for material domestic equipment that remained available in the market, the Valuer referred to prevailing market quotations for the same or similar equipment;
2. for equipment that had been discontinued or was no longer available in the market, the Valuer referred to the prices of comparable equipment and made adjustments having regard to differences in performance, technical specifications and functions; and
3. for low-value commonly available equipment that did not require installation, the replacement cost was determined by reference to the quoted purchase price after excluding value-added tax.

Transportation costs were calculated by applying the relevant transportation cost rates to the purchase prices of the relevant equipment. For equipment purchased locally, the transportation cost rates adopted ranged from 0.2% to 0.5% of the purchase prices.

Installation costs and foundation costs were calculated by applying the relevant installation cost rates and foundation cost rates, respectively, to the purchase prices of the relevant equipment. Other related costs were calculated by applying the relevant other-cost rates to the aggregate of the purchase price, transportation costs, installation costs and foundation costs. Financing costs were calculated by reference to the relevant prevailing loan quotation rate, the reasonable construction period and the assumption that the relevant funds were deployed evenly during the construction period.

Valuation computation and conclusion

According to the Valuation Report, the Disposal Assets had an original book cost of RMB71,387,888.49 and a net book value of RMB43,804,982.75 as at the Valuation Date. The Valuer determined the aggregate replacement cost of the Disposal Assets to be RMB57,601,288.77. After taking into account aggregate depreciation and obsolescence adjustments of RMB13,029,930.00, reflecting the assessed newness rates of the relevant equipment, the aggregate appraised net value of the Disposal Assets was determined to be RMB44,571,358.77. This represented an overall implied assessed newness rate of approximately 77.38% of the aggregate replacement cost. The appraised net value represented an uplift of RMB766,376.02, or approximately 1.75%, over the net book value of the Disposal Assets as at the Valuation Date. The Valuation Report presents the valuation conclusion as RMB44,571,400.00 on a rounded basis. The detailed valuation schedule records an exact appraised net value of RMB44,571,358.77, which was adopted by the parties as the transfer price.

INFORMATION ON THE DISPOSAL ASSETS

The Group acquired the assets of the resin workshop, excluding the Properties, from Twin Tigers Coatings in 2020. According to the Valuation Report, the Disposal Assets had an original book cost of RMB71,387,888.49 and a net book value of RMB43,804,982.75 as at the Valuation Date. The appraised net value of the Disposal Assets was RMB44,571,358.77.

The net profits/(losses) before and after taxation attributable to the resin workshop for the two financial years immediately preceding the Transactions, based on the management accounts of the Group, are as follows:

For the year ended	Net profit/(loss)	Net profit/(loss)
31 December	before taxation	after taxation
2024	RMB(6,986,166.68)	RMB(5,344,417.51)
2025	RMB(4,211,690.88)	RMB(3,221,943.52)

TERMINATION OF THE LEASE AGREEMENT

Reference is made to the announcement of the Company dated 26 March 2025 in relation to the Lease Agreement. Under the Lease Agreement, Twin Tigers Coatings leases to Wuhan Youji (i) a resin workshop property with a land area of 10,890 square metres and a plant building area of 10,146 square metres and (ii) an intermediate tank area with a land area of 8,431.5 square metres. The lease term is ten years from 14 July 2025 to 13 July 2035 (both dates inclusive) and the monthly rent is RMB186,597.25 (tax included).

Pursuant to the Asset Transfer Agreement, the Lease Agreement will be terminated with effect from Completion. No separate termination fee or compensation is stipulated under the Asset Transfer Agreement. Following Completion, the Group currently plans not to operate the resin workshop using the Disposal Assets for the time being. The Group is still assessing whether to enter into new leasing arrangements in respect of the relevant land, factory buildings and/or machinery and equipment for the operation of the resin workshop in the future, and no definitive decision has been made in this regard as at the date of this announcement. Wuhan Youji will settle all rent accrued up to Completion and hand over the Properties to Twin Tigers Coatings upon Completion.

FINANCIAL EFFECTS OF THE TRANSACTIONS AND USE OF PROCEEDS

Based on the unaudited consolidated carrying amount of the Disposal Assets of RMB43,804,982.75 and after taking into account estimated taxes and transaction expenses of approximately RMB695,313.20, the Group currently expects to recognise a gain of approximately RMB71,062.82 from the Disposal.

In accordance with Hong Kong Financial Reporting Standard 16 “Leases” (“**HKFRS 16**”), upon the Lease Termination taking effect at Completion, the Group will derecognise the right-of-use asset and the corresponding lease liability under the Lease Agreement in its consolidated statement of financial position. Based on the unaudited financial information currently available, the Group expects to derecognise a right-of-use asset of approximately RMB14,521,406.38 and a lease liability of approximately RMB14,971,422.54, resulting in an estimated additional gain of approximately RMB450,016.15. The above amounts are unaudited estimates. The actual financial effects of the Transactions will be determined by reference to the relevant carrying amounts at Completion and will be subject to finalisation and audit.

The net proceeds from the Disposal, after deducting applicable taxes and transaction expenses, are expected to be approximately RMB398,625.42. The Company intends to apply the net proceeds for general working capital purposes.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group acquired the resin workshop assets from Twin Tigers Coatings in 2020 and has leased the Properties from Twin Tigers Coatings to operate the resin workshop. The Board has reviewed the Group's operational requirements and allocation of resources, taking into account the operating and financial performance, the applicable regulatory and environmental requirements and future capital expenditure requirements of the resin workshop, and considers that the Transactions will enable the Group to optimise the Group's asset allocation and allow management and financial resources to be focused on the Group's core fine chemical products and other development opportunities.

Based on the information currently available, the Board expects that the Group's current plan not to operate the resin workshop using the Disposal Assets for the time being following Completion will not have a material adverse impact on the continuing operations or overall financial position of the Group.

The Directors (excluding the independent non-executive Directors) are of the view that the Transactions are entered into in the ordinary and usual course of business of the Group and are on normal commercial terms or better, and their terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Gao Lei and Mr. Shen Yingming, being Directors having interests in Twin Tigers Coatings, have abstained from voting on the Board resolution approving the Transactions. Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, none of the other Directors has any material interest in the Transactions and is required to abstain from voting on the relevant Board resolution(s).

INFORMATION ON THE GROUP

The Company was incorporated under the laws of the Cayman Islands and has been re-domiciled to Hong Kong with limited liability. Wuhan Youji is a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company. Its principal business is the manufacture and sale of fine chemical products.

INFORMATION ON THE PURCHASER

Twin Tigers Coatings is a limited liability company established under the laws of the PRC and is a paint manufacturer principally engaged in the manufacture of chemical raw materials and chemical products.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, Twin Tigers Coatings is wholly owned by Linuo, which is ultimately indirectly owned as to 80% by Mr. Gao Yuankun, the father of Mr. Gao Lei, a non-executive Director and the controlling Shareholder of the Company, and as to 20% by Mr. Shen Yingming, a non-executive Director.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Lease Termination will result in the derecognition of the right-of-use asset recognised by the Group under the Lease Agreement. Accordingly, the Lease Termination will be regarded as a disposal of the right-of-use asset by the Group under Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Disposal and the Lease Termination are 5% or more but all of them are less than 25%, the Transactions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Twin Tigers Coatings is ultimately controlled by Mr. Gao Yuankun, the father of Mr. Gao Lei. Accordingly, Twin Tigers Coatings is an associate of Mr. Gao Lei, a non-executive Director and the controlling Shareholder of the Company, and therefore a connected person of the Company. The Transactions therefore constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios are 5% or more, the Transactions are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Gao Lei and Mr. Shen Yingming, having interests in an aggregate of 62,688,552 Shares, representing approximately 67.19% of the issued share capital of the Company as at the date of this announcement, and their respective associates will be required to abstain from voting on the relevant resolution(s) at the EGM.

The Independent Board Committee, comprising Mr. Liu Kai Yu Kenneth, Dr. Liu Zhongdong and Dr. Yuan Kang, has been established to advise the Independent Shareholders in respect of the Asset Transfer Agreement and the Transactions.

SBI China Capital Hong Kong Securities Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Asset Transfer Agreement and the Transactions; (ii) the letter from the Independent Board Committee; (iii) the letter of advice from the Independent Financial Adviser; and (iv) a notice convening the

EGM, is expected to be despatched to the Shareholders before 31 December 2026 (being more than 15 business days after the publication of this announcement). As additional time is required to prepare and finalise the circular, including the independent financial advice and other relevant information required to be included therein, it is expected that the circular will be despatched before the above-mentioned date.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Asset Transfer Agreement”	the asset transfer agreement in relation to the Disposal Assets entered into between Wuhan Youji and Twin Tigers Coatings dated 22 October 2026;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	Wuhan Youji Holdings Limited (formerly known as Wuhan Youji Holdings Ltd.), a company re-domiciled to Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2881);
“Completion”	completion of the Disposal in accordance with the Asset Transfer Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	RMB50,365,635.41, being the total consideration payable by Twin Tigers Coatings for the Disposal Assets;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Disposal Assets by Wuhan Youji to Twin Tigers Coatings pursuant to the Asset Transfer Agreement;

“Disposal Assets”	the 107 items of machinery and equipment used in the resin workshop, the intermediate tank area and their ancillary facilities as set out in the asset list attached to the Asset Transfer Agreement, excluding the land and factory buildings;
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Asset Transfer Agreement and the Transactions contemplated thereunder;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Liu Kai Yu Kenneth, Dr. Liu Zhongdong and Dr. Yuan Kang, established to advise the Independent Shareholders in respect of the Asset Transfer Agreement and the Transactions;
“Independent Financial Adviser”	SBI China Capital Hong Kong Securities Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions;
“Independent Shareholders”	the Shareholders who are not required to abstain from voting on a transaction under the Listing Rules;
“independent third party(ies)”	a person or company which, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, is independent of the Company and its connected persons;
“Lease Agreement”	the property leasing agreement dated 26 March 2025 entered into between Twin Tigers Coatings, as lessor, and Wuhan Youji, as tenant, in respect of the Properties;
“Lease Termination”	the termination of the Lease Agreement with effect from Completion pursuant to the Asset Transfer Agreement;
“Linuo”	Linuo Group Holdings Co., Ltd. (力諾集團股份有限公司), a limited liability company established under the laws of the PRC;

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange;
“PRC or China”	the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, Macau and Taiwan;
“Properties”	the resin workshop property and intermediate tank area leased by Wuhan Youji from Twin Tigers Coatings under the Lease Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of USD0.0001 each;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the Disposal and the Lease Termination;
“Twin Tigers Coatings” or “Purchaser”	Wuhan Twin Tigers Coatings Co., Ltd. (武漢雙虎塗料股份有限公司), a limited liability company established under the laws of the PRC;
“Valuation Report”	the asset valuation report dated 2 August 2026 issued by the Valuer in respect of the value of the Disposal Assets as at 31 July 2026;
“Valuer”	Hubei Hongye Real Estate Asset Appraisal Co., Ltd. (湖北弘業房地產資產評估有限公司);

“Wuhan Youji” or “Vendor” Wuhan Youji Industrial Co., Ltd. (武漢有機實業有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company;

“%” per cent.

* *For identification purposes only*

By order of the Board
Wuhan Youji Holdings Limited
Mr. Zou Xiaohong
Chairman of the Board and Executive Director

Hong Kong, 22 October 2026

As at the date of this announcement, the Board comprises Mr. Zou Xiaohong and Mr. Chen Ping as executive Directors; Mr. Gao Lei, Mr. Shen Yingming and Ms. Li Deye as non-executive Directors; and Mr. Liu Kai Yu Kenneth, Dr. Liu Zhongdong and Dr. Yuan Kang as independent non-executive Directors.