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Rule 14.58  
(1)



**Wuhan Youji Holdings Ltd.**

**武漢有機控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2881)**

**MAJOR AND CONNECTED TRANSACTIONS  
IN RELATION TO  
FORMATION OF A NON-WHOLLY OWNED SUBSIDIARY  
AND  
CONSTRUCTION AND LEASEBACK ARRANGEMENTS WITH  
GUARANTEE**

**Independent Financial Adviser to the Independent Board Committee**

 **軟庫中華 SBI China**

**INTRODUCTION**

The Board announces that a wholly-owned PRC subsidiary of the Company, Wuhan Youji, has entered into several transactions relating to the formation of a new non-wholly owned subsidiary to commercialise photochemical oxidation technology and to construct and operate a 15,000-tonne per annum aromatic aldehyde/ester replacement project in Wuhan.

## FORMATION OF TARGET COMPANY

Date: 30 December 2025

Parties: (i) Wuhan Youji;  
(ii) Wuhan Guangyao;  
(iii) Wuhan Shengyu; and  
(iv) Individual Partners.  
(collectively, “**Partners**”)

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, Wuhan Guangyao and its ultimate beneficial owners are independent third parties.

Among Individual Partners, Zou Xiaohong (鄒曉虹) is a Director and a director of Wuhan Youji and Qianjiang Xinyihong, Zhou Xu (周旭) is the chief executive officer of the Company and the general manager of Wuhan Youji, Guo Tao (郭濤) is a director of Hubei Xinxuanhong, Hubei Kangxin and Hubei Xinlianhong, Wu Jun (吳駿) is the general manager of Hubei Kangxin, Xiang Shiyan (向世炎) is the general manager of Hubei Xinxuanhong. Save as disclosed above, to the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, other Individual Partners are independent third parties.

Wuhan Shengyu is wholly controlled by Mr. Shen Haifeng (沈海峰), the chief financial officer of the Company.

Target Company: A PRC joint stock limited company shall be established under the proposed name Wuhan Youji Photochemical Technology Co., Ltd. (武漢有機光化學科技股份有限公司) (“**Target Company**”).

The principal business of the Target Company shall be research and development, industrialisation and commercial production of photochemical oxidation technologies and products replacing aromatic aldehyde/ester series, new materials technology development and production; import and export.

Registered capital and capital commitments upon establishment of the Target Company:

The registered capital of the Target Company at establishment will be RMB119.2 million, with each RMB1 of registered capital subscribed at par value. The initial capital contributions to be made by the Partners are as follows:

- (i) Wuhan Youji will contribute RMB63.234 million, representing approximately 53.0487% of the registered capital, of which RMB50 million will be satisfied by way of contribution of intellectual property (patents and proprietary technologies) and RMB13.234 million will be contributed in cash;
- (ii) Wuhan Guangyao will contribute RMB50 million, representing approximately 41.9463%, entirely in the form of intellectual property (patents and proprietary technologies);
- (iii) Wuhan Shengyu will contribute RMB400,000, representing approximately 0.3356%, in cash;
- (iv) The Individual Partners will make an aggregate cash contributions of RMB5,566,000, representing approximately 4.6695%. Among them, the connected persons of the Group will make cash contributions as follows: Zou Xiaohong (鄒曉虹) and Zhou Xu (周旭) will each contribute RMB400,000, representing approximately 0.3356% of the registered capital; and Guo Tao (郭濤), Wu Jun (吳駿) and Xiang Shiyan (向世炎) will each contribute RMB200,000, representing approximately 0.1678% of the registered capital. The remaining independent Individual Partners' respective initial capital contributions range from RMB6,000 to RMB400,000, representing shareholding percentages between approximately 0.0050% and 0.3356%.

The above first batch capital contributions amount in aggregate to RMB119.2 million.

Subsequent Capital  
Contributions:

In addition to the initial registered capital of RMB119.2 million, the Partners have undertaken ultimate total capital commitments of RMB200 million, to be contributed in tranches based on the funding needs of the Target Company. Pursuant to the Formation Agreements, after the establishment of the Target Company and upon receipt of written funding notices issued by the Target Company, each Partner shall make additional capital contributions, and the Target Company shall complete the corresponding capital increase procedures in batches.

- (i) Wuhan Youji will further contribute RMB52.936 million by cash, resulting in an aggregate contribution of RMB116.17 million and representing 58.0850% of the enlarged capital of the Target Company;
- (ii) Wuhan Guangyao will not be required to make additional capital contributions and its aggregate post-increase contribution will remain RMB50 million, representing 25% of the enlarged registered capital of the Target Company;
- (iii) Wuhan Shengyu will further contribute RMB1.6 million by cash, resulting in an aggregate contribution of RMB2 million, representing 1% of the enlarged registered capital of the Target Company;
- (iv) The Individual Partners will make further cash contributions in an aggregate amount of RMB22,264,000, resulting in an aggregate contribution of RMB27,830,000, representing 13.915% of the enlarged registered capital of the Target Company. Among them, the connected persons will make further cash contributions as follows: Zou Xiaohong (鄒曉虹) and Zhou Xu (周旭) will each contribute RMB1,600,000 resulting in an aggregate contribution of RMB2 million and representing 1% of the enlarged registered capital of the Target Company. Guo Tao (郭濤), Wu Jun (吳駿) and Xiang Shiyan (向世炎) will each contribute RMB800,000, resulting an aggregate contribution of RMB1 million and representing 0.5% of the enlarged registered capital of the Target Company. The remaining independent Individual Partners' respective further cash contributions range from RMB24,000 to RMB1,600,000, representing shareholding percentages between 0.015% and 1%;

- (v) One independent external investor will contribute RMB6 million in installments, of which RMB4 million shall be contributed as registered capital representing 2.0% of the enlarged registered capital, and the remaining RMB2 million shall be contributed as capital reserve pursuant to the Formation Agreements. If the external investor fails to make such contribution, the Company shall be entitled to subscribe for such 2.0% equity interest at a consideration of RMB4 million.

In aggregate, the subsequent capital contributions amount to RMB80.80 million, bringing the total registered capital of the Target Company to RMB200 million.

**Payment Terms:**

The initial capital contributions comprising (i) RMB50 million contributed by Wuhan Youji by way of intellectual property (patents and proprietary technologies), and (ii) RMB50 million contributed by Wuhan Guangyao, also by way of intellectual property (patents and proprietary technologies), were determined with reference to the valuation of such intellectual property as set out in the Valuation Report issued by the Valuer on 25 December 2025, which assessed the aggregate value of above intellectual property (“**Intangible Assets**”) at RMB119,048,400. Pursuant to the Formation Agreements, the foregoing intellectual property contributions shall be transferred to the Target Company as registered capital within 90 days after the establishment of the Target Company.

All initial monetary capital contributions by the Partners shall be paid into the Target Company’s designated bank account within 30 days after the establishment of the Target Company.

**Conditions Precedent:**

The Formation Agreements will become effective upon the satisfaction of the following conditions precedent:

- (i) the Company having obtained approval from its Board in respect of the Formation Agreements and the transactions contemplated thereunder;
- (ii) The Formation Agreements and the transactions contemplated thereunder must be approved by the Independent Shareholders at the extraordinary general meeting in accordance with the Listing Rules.

As at the date of this announcement, the Company has obtained Board approval for the Formation Agreements and the transactions contemplated thereunder.

Management of the  
Target Company:

The Target Company will adopt a governance structure consistent with the PRC Company Law and the arrangements agreed among the Partners. The shareholders' meeting will be the highest authority of the Target Company and will exercise its powers in accordance with the Formation Agreements and the articles of association.

The Target Company will establish a board of directors comprising five directors, three of whom will be appointed by Wuhan Youji, one by Wuhan Guangyao, and one collectively by the Individual Partners. The chairman of the board, who will also serve as the legal representative of the Target Company, will be appointed by Wuhan Youji.

The Target Company will adopt a general manager-led management model. The general manager will be nominated by Wuhan Youji and appointed by its board, while the deputy general managers and the financial controller will be nominated by the general manager and appointed by its board. The management team will be responsible for the day-to-day operations of the Target Company and will perform their duties under the supervision of the board.

Revaluation and Capital  
Reduction Mechanism  
in respect of the  
Intangible Assets:

The Intangible Assets contributed to the Target Company are subject to commercialisation risks. In the event that the Intangible Assets fail to generate profits within a period of up to five years after their contribution to the Target Company, the parties may, subject to compliance with the Listing Rules and pursuant to the Formation Agreements and applicable PRC laws and regulations, arrange for a revaluation of the Intangible Assets and, if necessary, implement a corresponding capital reduction of the Target Company based on the revalued amount.

In an extreme scenario where the Intangible Assets are fully written down and the registered capital attributable to the Intangible Assets is fully reduced, the shareholding structure of the Target Company would be adjusted accordingly. In such case, the equity interests in the Target Company would be held as follows: Wuhan Youji as to 66.17%, Wuhan Guangyao as to 0%, Wuhan Shengyu as to 2%, the independent external investor as to 4%, and the Individual Partners as to 27.83%, of which the connected persons would in aggregate hold approximately 7%.

If the independent external investor does not make its capital contribution and the Company subscribes the 2% of the enlarged capital of the Target Company, upon completion of such capital reduction, Wuhan Youji's shareholding in the Target Company would increase to 70.17%, the independent external investor would hold 0% equity interest, and the shareholding interests of the other parties would remain the same as in above paragraph.

## **Valuation Report**

The valuation was performed using the income approach, and the Valuation Report benchmark date is 30 September 2025, with an assessed value of the Intangible Assets of RMB119,048,400.

### ***(i) Basis for adopting the income approach***

The Valuer adopted the income approach as the future economic benefits attributable to the Intangible Assets could be reasonably forecast based on the relevant parties' development plan and the anticipated commercialisation roadmap, whereas the market approach and the cost approach were not considered applicable due to the lack of meaningful comparable transactions and the limitations of using costs to reflect the value of intangible assets.

**(ii) Key assumptions and key parameters**

The valuation was prepared based on a discounted cash flow/discounted income model, with the key assumptions and quantitative inputs including:

- a. Remaining economic life/forecast period: 10 years (covering 2027 to 2036).
- b. Commercialisation timetable and ramp-up: construction period up to the end of 2026; large-scale industrial production is expected to commence in 2027; sales volumes were assumed to ramp up from 30%, 50%, 70% and 90% of designed capacity in 2027 to 2030, respectively, and reach a stable stage from 2031 with full capacity utilisation and full sales; given output is constrained by capacity, the revenue growth rate was assumed to be 0 thereafter.
- c. Forecast revenue: total forecast sales revenue for 2027 to 2036 of approximately RMB6,107.3 million.
- d. Technology royalty/income sharing rate: benchmarked to the CNIPA statistics on ordinary patent implementation licence contracts (2019–2023) for the “chemical raw materials and chemical products manufacturing” sector (10.0%), together with the assessed 80% contribution of the Intangible Assets to the technology products. Taking into account potential technology substitution over time, an annual decaying royalty/income sharing rate was adopted, from 8.0% in 2027, reducing by 0.8 percentage points per annum to 0.8% in 2036.
- e. Discount rate: 12.74%, estimated using the social average rate of return model, being the risk-free rate (with reference to the five-year PRC treasury bond yield) plus a risk premium (taking into account technology risk, market risk, funding risk, management risk and other unforeseeable risks).
- f. Construction period investment: RMB7 million up to the end of 2026.

Based on the above, the Valuer derived the annual income attributable to the Intangible Assets by applying the relevant annual royalty/income sharing rate to the forecast annual sales revenue, taking into account the construction period investment, and discounting such amounts to present value using the discount rate. No terminal value beyond the forecast period was applied.



Sensitivity analysis: the valuation is sensitive to the forecast revenue and the discount rate. For illustration, (a) if the forecast revenue changes by +10%/+5%/−5%/−10%, the valuation would change to approximately RMB131.6 million/RMB125.3 million/RMB112.8 million/RMB106.5 million, respectively; and (b) if the discount rate changes by +5/+10/−5/−10 percentage points, the valuation would change to approximately RMB95.6 million/RMB78.0 million/RMB151.1 million/RMB195.8 million, respectively.

As the valuation is based on the forecast, it is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

### **Report from EY**

EY, the reporting accountant of the Company, has reported on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which part of the valuations is based, which does not involve the adoption of accounting policies. According to Rule 14.60A (2) of the Listing Rules, the report from EY is listed in Appendix I to this announcement.

### **Letter from the Board**

According to Rule 14.60A (3) of the Listing Rules, a letter from the Board, confirming that it has made the forecast after due and careful enquiry, has been attached to Appendix II to this announcement.

### **Experts**

The following are the qualifications of experts who have made representations or provided opinions contained in this announcement:

<b>Name</b>	<b>Qualification</b>
Hubei Hongye Real Estate Asset Appraisal Co., Ltd. (湖北弘業房地產資產評估有限公司)	Independent Professional Valuer
Ernst & Young	Certified public accountants

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its name (including its qualification) included herein in the form and context in which it appears.

As at the date of this announcement, neither of the above experts held any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the experts mentioned above is a third party independent of the Group and its connected persons.

### **Reasons for and benefits of the formation of the Target Company**

The Target Company brings together proprietary and breakthrough photochemical oxidation technology contributed by Wuhan Youji and Wuhan Guangyao, capital support from Wuhan Youji and members of its senior management and core technical team, and expected follow-on investment from state-owned enterprises in Qingshan District. Leveraging Wuhan Youji's established capabilities in industrialisation, construction and operations, as well as its sales network, together with access to relevant infrastructure and industrial resources, the Target Company will be well positioned to accelerate the incubation and commercialisation of this innovative technology. As the project represents the first commercialisation case of its kind globally, it is expected to create significant economic and social benefits and support the Group's long-term sustainable growth.

The Target Company will be consolidated into the Group's financial statements.

Based on the foregoing, the Directors are of the view that the Formation Agreements were entered into in the ordinary and usual course of business of the Group and under normal commercial terms or better to the Group, and the terms of the Formation Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Zou Xiaohong, being a Director having interests in the Formation Agreements, have abstained from voting on the Board resolution approving the Formation Agreements. Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as of the date of this announcement, none of the other Directors has any material interests in the Formation Agreements and shall abstain from voting in respect of the relevant resolution(s).

## CONSTRUCTION AND LEASEBACK ARRANGEMENTS

Date: To be signed after formation of the Target Company

Parties to the  
Construction and  
Leaseback  
Arrangements  
Agreements:

- (i) Target Company (as the principal);
- (ii) Anxin (as the constructor); and
- (iii) Wuhan Youji (as the guarantor).

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, each of Anxin and its ultimate beneficial owners is an independent third party.

Construction: Anxin, a state-owned enterprise, shall acquire the land at the intersection of Chemical Second Road (Huagong Er Lu) and Wusha Road, Qingshan District, Wuhan City (the “**Land**”) and construct the factory and related infrastructure with a total construction period of not more than 365 days (“**Project Assets**”). Anxin has established a wholly-owned project company Wuhan Photochemistry Sci-Tech Construction Industrial Park Development Co., Ltd. (武漢光化科建工業園開發有限公司) (“**Project Company**”) to hold the Project Assets in full.

The total investment for land acquisition, construction and project-related taxes will be capped at RMB106 million (“**Cost**”). The actual amount of the Cost shall be calculated based on the actual land price, construction expenses and applicable taxes incurred, as audited by an independent third-party auditing institution and confirmed by all parties. An additional project construction management fee of up to RMB1.5 million will be payable to Anxin in three installments during the construction period. Such project construction management fee shall be calculated based on Anxin's actual expenses and payroll in connection with the project and in accordance with the relevant requirements set out in the Notice on the Measures for the Administration of Construction Costs of Capital Construction Projects (《基本建設項目建設成本管理規定》) issued by the Ministry of Finance.

- Lease:** Upon completion of construction and acceptance, the Project Assets will be leased to the Target Company for its production and operational needs for a term of seven years minus the construction period of not more than 365 days (“**Term**”). During the Term, the Target Company will pay annual rent and management fee calculated by reference to the audited total Cost multiplied by the prevailing five-year LPR, subject to a cap of RMB4 million per year, and payable on an annual basis. The five-year LPR is adopted as the benchmark rate because the People’s Bank of China currently publishes only the one-year and five-year LPRs, and given that the Term is approximately six years, the financing tenor of the relevant arrangement is closer to five years rather than one year.
- Buy-back:** The lease will remain in force throughout the Term, after which the Target Company will be required to repurchase the Project Company at the original Cost without taking into account any depreciation.
- The buy-back price will be subject to a cap of RMB106 million and will be settled in two instalments. The Target Company shall pay 95% of the total buy-back price, upon which Anxin shall transfer 100% equity interest in the Project Company to the Target Company and complete the relevant registration procedures. Within 15 business days after completion of the foregoing procedures, the Target Company shall pay the remaining 5% of the total buy-back price.
- Guarantee:** To secure the Target Company’s obligations under the lease and the buy-back arrangements, Wuhan Youji will provide an irrevocable joint and several liability guarantee in favour of Anxin. The guarantee will cover an amount of up to approximately RMB131.5 million, determined with reference to the upper limit of the total Cost, the project construction management fee and the estimated rent and management fee payable during the Term.
- As counter-security for such guarantee, all other shareholders of the Target Company will be required to pledge their entire equity interests in the Target Company to Wuhan Youji, and the Target Company will pledge all of its equipment to Wuhan Youji, in each case until the guarantee has been fully released.

## **Reasons for and benefits of construction and leaseback arrangements**

The construction and leaseback arrangement has been adopted to support the industrialisation and commercialisation of the Target Company's photochemical oxidation technology in a financially efficient and policy-aligned manner. The buy-back structure is designed to facilitate the development of strategic emerging industries by allowing a state-owned platform to provide early-stage funding for land acquisition, infrastructure construction and relevant taxes on a cost-recovery basis, while ensuring that the Target Company ultimately obtain ownership of the Project Assets. This arrangement enables the project to secure essential land and infrastructure resources without imposing an immediate capital burden on the Target Company.

From the perspective of the Group, the Group is currently undertaking several major projects, including the Hubei Xinxuanhong project and overseas investment. If the Target Company were required to undertake the full upfront investment for land acquisition and plant construction for the photochemical project, this would place significant pressure on the Group's balance sheet. By leveraging the state-owned construction enterprise advancement for the land acquisition and plant construction at the initial stage, the Target Company can obtain access to the Project Assets at a comparatively low financing cost linked to the five-year LPR during the Term. This structure effectively reduces the Target Company's and the Group's funding pressure, accelerates the incubation and scaling-up of new technology projects, supports simultaneous advancement of multiple strategic initiatives, and enhances the Group's long-term development flexibility.

In addition, the provision of a guarantee by the Group forms part of the overall arrangement to enable Anxin, the state-owned local platform to advance the upfront land cost, construction expenditure and project taxes. The involvement of such state-owned capital substantially alleviates the Group's immediate capital outlay and contributes to the orderly and timely development of the project. The guarantee therefore forms part of an overall support mechanism enabling the Target Company to obtain the critical infrastructure and financing resources while managing the Group's financial risk in a balanced and sustainable manner.

Based on the foregoing, the Board considers that the Construction and Leaseback Arrangements Agreements and the terms therein are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as of the date of this announcement, none of the Directors has any material interests in the Construction and Leaseback Arrangements Agreements and shall abstain from voting in respect of the relevant resolution(s).

## INFORMATION OF THE PARTIES

The Company is incorporated under the laws of the Cayman Islands with limited liability and the Group is principally engaged in manufacture of toluene oxidation and chlorination products, benzoic acid ammonification products and other fine chemical products through organic synthesis process.

Wuhan Shengyu is a company established in the PRC and is principally engaged in equity investment and investment management consulting. It is owned as to 60% by Ms. Wang Shujun (王淑君) and 40% by Ms. Liu Fenghua (劉鳳華), and is 100% controlled by Mr. Shen Haifeng (沈海峰), the chief financial officer of the Company with Ms. Liu Fenghua being the spouse of Mr. Shen Haifeng and Ms. Wang Shujun being the mother of Ms. Liu Fenghua.

Wuhan Guangyao is a limited partnership established in the PRC and is principally engaged in enterprise management consulting. It is managed by Wuhan Guangyao Future Enterprise Management Partnership (Limited Partnership) (武漢光耀未來企業管理合夥企業 (有限合夥)) (“**Guangyao Future**”) as its executive partner and is owned as to 70% by Guangyao Future and 30% by Wuhan Photochemical Technology Co., Ltd. (武漢光化學技術有限公司). Guangyao Future is managed by Xiao Cong as its executive partner and is owned by a number of individuals, including Xiao Cong as to 30%, Gao Ke (高軻) as to 26.5%, Lu Liangqiu (陸良秋) as to 16%, Dong Hongming (董洪明) as to 12%, with all other individual partners each holding less than 10%. Wuhan Photochemical Technology Co., Ltd. is wholly owned by Wuhan Institute of Photochemistry and Technology, which is a public institution of PRC. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as of the date of this announcement, Wuhan Guangyao and its ultimate beneficial owners are independent third parties to the Group.

Anxin is a company established in the PRC and is principally engaged in property development and operation, construction engineering contracting and construction engineering design. Anxin is wholly owned by the State-owned Assets Supervision and Administration Commission of Qingshan District, Wuhan (武漢市青山區人民政府國有資產監督管理委員會). To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as of the date of this announcement, Anxin and its ultimate beneficial owners are independent third parties to the Group.



## LISTING RULES IMPLICATIONS

As disclosed above, certain Individual Partners are connected person of the Company. Accordingly, formation of the Target Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Formation Agreements in aggregate exceed(s) 5%, the Transactions are subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as one or more of the applicable percentage ratios in respect of the Transactions exceed(s) 25% but are all less than 100%, Transactions constitute major transactions of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve the Transactions. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for Mr. Zou Xiaohong and his associates, none of the other Shareholders has a material interest in the Transactions and is required to abstain from voting on the relevant resolution(s) at the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders on the Transactions, and to advise the Independent Shareholders on how to vote at the EGM.

SBI China Capital Hong Kong Securities Limited (軟庫中華香港證券有限公司) has been appointed as the Independent Financial Adviser to advise and make recommendations to the Independent Board Committee and the Independent Shareholders on the Transactions, and as to voting at the EGM so far as the Independent Shareholders are concerned.

A circular containing, among other things, (i) further details of the Transactions; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the Valuation Report; and (v) other information as required under the Listing Rules, together with a notice of the EGM and the proxy form, is expected to be despatched to the shareholders of the Company by 31 March 2026 (which is more than 15 business days after the publication of this announcement) as additional time is required to finalise the contents of the circular.

## DEFINITIONS

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

“Anxin”	Wuhan Qingshan Anxin Real Estate Co., Ltd. (武漢市青山區安欣置業有限公司), a Company incorporated in PRC;
“Board”	the board of Directors of the Company;
“Construction and Leaseback Arrangements Agreements”	Development Services Contract to be entered into among the Target Company, Anxin, and Wuhan Youji after formation of the Target Company, together with all other documents related to the construction and leaseback arrangement;
“Company”	Wuhan Youji Holdings Ltd., a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2881);
“Director(s)”	the director(s) of the Company;
“EY”	Ernst & Young (安永會計師事務所);
“Formation Agreements”	the agreements entered into among the Partners in relation to the formation of the Target Company, including the cooperation agreement entered on 30 December 2025 and the initiators’ agreement to be entered before formation of the Target Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hubei Kangxin”	Hubei Kangxin Bio-Tech Co., Ltd. (湖北康新生物科技股份有限公司), a limited liability company established under the laws of the PRC on December 12, 2018 and a wholly-owned subsidiary of the Company;



“Hubei Xinlianhong”	Hubei Xinlianhong New Materials Technology Co., Ltd. (湖北新連宏新材料科技有限公司), a limited liability company established under the laws of the PRC on November 28, 2022 and a wholly-owned subsidiary of the Company;
“Hubei Xinxuanhong”	Hubei Xinxuanhong New Materials Co., Ltd. (湖北新軒宏新材料有限公司), a limited liability company established under the laws of the PRC on January 5, 2021 and a wholly-owned subsidiary of the Company;
“Independent Board Committee”	an independent board committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in respect of the Transactions;
“Independent Financial Adviser”	SBI China Capital Hong Kong Securities Limited (軟庫中華香港證券有限公司), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions;
“Independent Shareholders”	the Shareholders other than Mr. Zou Xiaohong and his associates;
“independent third party(ies) ”	has the meaning ascribed to it under the Listing Rules;
“Individual Partners”	54 individuals in total, who are employees of the Group or of Wuhan Guangyao. Save for Zou Xiaohong (鄒曉紅), Zhou Xu (周旭), Guo Tao (郭濤), Wu Jun (吳駿) and Xiang Shiyan(向世炎), all other Individual Partners are independent third parties;
“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;
“LPR”	the loan prime rate published by the People’s Bank of China 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;
“Qianjiang Xinyihong”	Qianjiang Xinyihong Organic Chemical Co., Ltd. (潛江新億宏有機化工有限公司), a limited liability company established under the laws of the PRC on December 5, 2006 and a wholly-owned subsidiary of the Company;
“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;
“subsidiary(ies) ”	has the meaning ascribed to it under the Listing Rules;
“Transactions”	the formation of the Target Company and the construction and leaseback arrangements;
“Valuer”	Hubei Hongye Real Estate Asset Appraisal Co., Ltd. (湖北弘業房地產資產評估有限公司), an independent asset valuation institution qualified to undertake real estate and asset appraisal activities in the PRC;
“Valuation Report”	A valuation report issued by the Valuer with regard to the Intangible Assets;
“Wuhan Guangyao”	Wuhan Guangyao Co-Creation Enterprise Management Partnership (Limited Partnership) (武漢光曜同創企業管理合夥企業 (有限合夥)), a Company incorporated in the PRC and is an independent third party to the Group;
“Wuhan Shengyu”	Wuhan Shengyu Huazhang Investment Management Co., Ltd. (武漢盛譽華彰投資管理有限公司), a Company incorporated in the PRC;

“Wuhan Youji”

Wuhan Youji Industries Co., Ltd. (武漢有機實業有限公司) (formerly known as Wuhan Youji Synthetic Chemical Plant (武漢有機合成化工廠), Wuhan City Wuhan Youji Synthetic Chemical Plant (武漢市武漢有機合成化工廠), and Wuhan Youji Industries Joint Stock Co., Ltd. (武漢有機實業股份有限公司)), a limited liability company established under the laws of the PRC on January 12, 1990 and a wholly-owned subsidiary of the Company;

“%”

per cent.

By order of the Board  
**Wuhan Youji Holdings Ltd.**  
**Mr. Zou Xiaohong**

*Chairman of the Board and Executive Director*

Hong Kong, 30 December 2025

*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.*

## Appendix I

### REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF THE MARKET VALUE OF INTANGIBLE ASSETS

To the Directors of Wuhan Youji Holdings Ltd.

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation dated on 25 Dec prepared by Hubei Hongye Real Estate Appraisal Co., Limited (湖北弘業房地產資產評估有限公司) concerning the market value of intangible assets (“**Intangible Assets**”) involved in the proposed formation of a non-wholly owned subsidiary by Wuhan Youji Industries Co., Ltd. through a contribution of both cash and nonmonetary assets. The valuation is set out in the announcement of Wuhan Youji Holdings Ltd. (the “**Company**”) dated 30 Dec 2025 (the “**Announcement**”) in connection with the formation of a non-wholly owned subsidiary and construction and leaseback arrangements with guarantee. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### Directors’ responsibilities

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out on pages 7 to 9 of the Announcement.

#### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants' responsibilities**

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

## **Opinion**

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

*Certified Public Accountants*

Hong Kong

30 Dec 2025

## Appendix II

### Letter from the Board of Directors

Dear Sir/Madam,

#### **Major and Connected Transaction Related to the Formation of a Non-wholly Owned Subsidiary and Guaranteed Construction and Leaseback Arrangements**

We hereby refer to the announcement (the “**Announcement**”) of Wuhan Youji Holdings Ltd. (the “**Company**”) dated 30 December 2025, regarding the transaction described in the subject heading. Unless the context otherwise requires, the terms defined in this announcement have the same meaning as those used in this letter.

We hereby refer to the valuation report prepared by the valuer Hubei Hongye Real Estate Asset Appraisal Co., Ltd. with a benchmark date of 30 September 2025, regarding the valuation determination of the intellectual property rights (patents and proprietary technologies) used by Wuhan Youji for investment. According to Rule 14.61 of the Listing Rules, the valuation constitutes a profit forecast.

The board of directors has reviewed and prepared the relevant data and documents on the basis and assumptions of the discounted cash flows used in the valuation, as well as the calculation methods adopted, and has reviewed the valuation prepared by the valuer (who is responsible for it). The board of directors has also considered the report of our auditor, Ernst & Young, as set out in Appendix I of the announcement, which pertains to the calculation method of discounted cash flows in the valuation.

Based on the aforementioned criteria and in accordance with Rule 14.60A (3) of the Listing Rules, the Board confirms that the valuation prepared by the valuer has been made after due and careful enquiry.

12/F, Two Exchange Square  
8 Connaught Place Central Hong Kong  
The Stock Exchange of Hong Kong Limited  
Listing Division to Review