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## **GLOBAL NEW MATERIAL INTERNATIONAL HOLDINGS LIMITED**

### **环球新材国际控股有限公司**

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

**(Stock code: 06616)**

## **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND CHANGE IN USE OF NET PROCEEDS FROM THE GLOBAL OFFERING**

The Board is pleased to announce the annual results of the Group for the FY2024 as follows:

- Revenue amounted to approximately RMB1,648.8 million, representing an increase of approximately 55.0%, as compared to approximately RMB1,064.1 million in the FY2023.
- Gross profit amounted to approximately RMB873.7 million, representing an increase of approximately 65.4%, as compared to approximately RMB528.3 million in the FY2023; and the gross profit margin for the FY2024 and the FY2023 was approximately 53.0% and 49.7%, respectively.
- Profit attributable to owners of the Company amounted to approximately RMB242.2 million, representing an increase of approximately 33.4%, as compared to approximately RMB181.6 million in the FY2023; and the net profit margin for the FY2024 and the FY2023 was approximately 19.4% and 20.0%, respectively.
- EBITDA for the FY2024 amounted to approximately RMB612.9 million, representing an increase of approximately 65.9% as compared to approximately RMB369.6 million for the FY2023.

The Board has decided not to declare and pay any final dividend for the FY2024 (FY2023: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Global New Material International Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) is pleased to announce the audited annual results of the Group for the year ended 31 December 2024 (the “**FY2024**”) which have been reviewed by the Company’s Audit Committee without disagreement and by RSM Hong Kong, the external auditor of the Company. The following sets forth the audited consolidated results of the Group for the FY2024 and the comparative figures for the year ended 31 December 2023 (the “**FY2023**”):

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Note	<u>2024</u>	<u>2023</u>
		<i>RMB’000</i>	<i>RMB’000</i>
<b>Revenue</b>	4	<b>1,648,763</b>	1,064,055
Cost of goods sold		<b>(764,105)</b>	(528,035)
Sales related tax and auxiliary charges		<b>(10,999)</b>	(7,691)
<b>Gross profit</b>		<b>873,659</b>	528,329
Other income and other gains and losses		<b>2,437</b>	27,955
Reversal of impairment losses			
for trade, bills and other receivables, net		<b>6,607</b>	618
Selling expenses		<b>(95,534)</b>	(62,803)
Administrative and other operating expenses		<b>(262,441)</b>	(188,636)
<b>Profit from operations</b>		<b>524,728</b>	305,463
Finance costs		<b>(118,436)</b>	(51,432)
<b>Profit before tax</b>		<b>406,292</b>	254,031
Income tax expense	6	<b>(86,020)</b>	(40,746)
<b>Profit for the year</b>	7	<b><u>320,272</u></b>	<u>213,285</u>
<b>Attributable to:</b>			
Owners of the Company		<b>242,176</b>	181,578
Non-controlling interests		<b>78,096</b>	31,707
		<b><u>320,272</u></b>	<u>213,285</u>
<b>Earnings per share</b>	9		
– Basic (RMB)		<b><u>0.19</u></b>	<u>0.15</u>
– Diluted (RMB)		<b><u>0.19</u></b>	<u>0.15</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the year</b>	<b>320,272</b>	213,285
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement loss on defined benefit pension plan	(4,822)	(4,925)
Income tax on item that will not be reclassified to profit or loss	1,007	1,029
	<b>(3,815)</b>	(3,896)
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(48,403)	518
<b>Other comprehensive income for the year, net of tax</b>	<b>(52,218)</b>	(3,378)
<b>Total comprehensive income for the year</b>	<b>268,054</b>	209,907
<b>Attributable to:</b>		
Owners of the Company	220,006	180,186
Non-controlling interests	48,048	29,721
	<b>268,054</b>	209,907

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2024

	Note	<u>2024</u>	<u>2023</u>
		<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,447,877	1,105,166
Right-of-use assets		144,324	66,265
Intangible assets		15,003	23,787
Prepayment for construction in progress		401,418	—
Deposit paid for acquisition of property, plant and equipment		70,000	—
Goodwill		94,160	104,171
Restricted deposit		2,050	2,050
Defined benefit assets, net		723	5,246
Deposits and other receivables		1,551	1,418
Deferred tax assets		8,367	11,835
Escrow deposit		496,427	—
Long term time deposit		50,000	—
<b>Total non-current assets</b>		<u>2,731,900</u>	<u>1,319,938</u>
<b>Current assets</b>			
Inventories		310,264	237,319
Trade and bills receivables	10	512,473	365,313
Deposits, prepayments and other receivables		57,420	27,803
Derivative component of convertible bonds		733	—
Restricted deposits		—	375
Restricted bank deposit		30,000	—
Tax recoverable		317	1,058
Bank and cash balances		3,411,401	3,203,476
<b>Total current assets</b>		<u>4,322,608</u>	<u>3,835,344</u>
<b>TOTAL ASSETS</b>		<u><u>7,054,508</u></u>	<u><u>5,155,282</u></u>

	Note	<u>2024</u>	<u>2023</u>
		<i>RMB'000</i>	<i>RMB'000</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	11	103,701	103,701
Reserves		<u>3,272,796</u>	<u>3,052,789</u>
		3,376,497	3,156,490
Non-controlling interests		<u>976,628</u>	<u>928,655</u>
		<u>4,353,125</u>	<u>4,085,145</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loans and other borrowings		1,126,800	94,614
Lease liabilities		5,103	3,046
Other payables		1,748	468
Deferred revenue		7,487	6,319
Deferred tax liabilities		<u>11,431</u>	<u>17,981</u>
<b>Total non-current liabilities</b>		<u>1,152,569</u>	<u>122,428</u>
<b>Current liabilities</b>			
Bank loans and other borrowings		602,212	232,376
Convertible bonds		683,289	576,142
Derivative component of convertible bonds		13,080	5,706
Lease liabilities		3,842	1,863
Trade payables	12	89,013	33,257
Accruals and other payables		127,885	84,820
Contract liabilities		21	184
Deferred revenue		8,770	4,614
Current tax liabilities		<u>20,702</u>	<u>8,747</u>
<b>Total current liabilities</b>		<u>1,548,814</u>	<u>947,709</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>7,054,508</u></u>	<u><u>5,155,282</u></u>

## NOTES

### 1. General information

Global New Material International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Pearlescent Industrial Park, No. 380, Feilu Road, Luzhai Town, Luzhai County, Liuzhou City, Guangxi Zhuang Autonomous Region, People’s Republic of China (the “**PRC**”). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its subsidiaries are production and sales of pearlescent pigment products and functional mica filler and related products in the PRC and the Republic of Korea (“**Korea**”).

### 2. Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”). IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with the disclosure requirements of the Companies Ordinance (Cap. 622).

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Company and its subsidiaries (collectively, the “**Group**”). Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the consolidated financial statements.

### 3. Adoption of new and revised IFRS Accounting Standards

#### (a) Application of new and revised IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

***Adoption of Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” and Amendments to IAS 1 “Non-current Liabilities with Covenants” (collecting the “IAS 1 Amendments”).***

As a result of the adoption of the amendments to IAS 1, the Group changed its accounting policy for the classification of borrowings as below:

*“Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.*

*Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.”*

The IAS 1 Amendments have also clarified what IAS 1 aims to mean when it refers to ‘settlement’ of a liability. Under the IAS 1 Amendments, terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an ‘equity instrument’. However, conversion options that are classified as a ‘liability’ must be considered when determining the current/non-current classification of a convertible instrument. In the past, such conversion options, whether classified as an equity instrument or liability, did not affect the current/non-current classification of its host liability. The adoption of the IAS 1 Amendments has resulted in a change in the Group’s accounting policy on current/non-current classification of convertible instruments and the impact of which is summarised below.

Global New Material International Holdings Limited issued Renminbi and United States dollars-denominated convertible bonds maturing on 30 December 2026 and 7 November 2025 respectively and the carrying amount of which RMB576,142,000 was classified as a non-current liability as at 31 December 2023 (1 January 2023: RMB294,217,000). The conversion option does not meet the definition of an equity instrument and can be exercised at holder’s discretion at any time. Due to the abovementioned change in the Group’s accounting policy on convertible instruments, the convertible bonds have been reclassified as a current liability retrospectively by restating the balances as at 31 December 2023 and 1 January 2023 as follows:



	As previously reported <i>RMB'000</i>	Effect of change in accounting policy <i>RMB'000</i>	As restated <i>RMB'000</i>
As at 31 December 2023			
Convertible bonds – current	—	576,142	576,142
Convertible bonds – non-current	576,142	(576,142)	—
As at 1 January 2023			
Convertible bonds – current	—	294,217	294,217
Convertible bonds – non-current	294,217	(294,217)	—

The following table illustrate the amounts that would have been in the Group's consolidated statement of financial position as at 31 December 2024 if the IAS 1 Amendments had not been adopted:

	As reported <i>RMB'000</i>	<b>Backing out effect of change in accounting policy <i>RMB'000</i></b>	<b>If accounting policy had not been changed <i>RMB'000</i></b>
As at 31 December 2024			
Convertible bonds – current	<b>618,204</b>	<b>(618,204)</b>	—
Convertible bonds – non-current	—	<b>618,204</b>	<b>618,204</b>

This change in accounting policy does not have any impact to Group's profit or loss, cash flows and earnings per share for the year ended 31 December 2023.

#### **Adoption of Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”:**

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

**(b) Revised IFRS Accounting Standards in issue but not yet effective**

Up to the date of issue of the consolidated financial statements, the IASB has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to IAS 21 and IFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

## 4. Revenue

### Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products for the FY2024 is as follows:

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue from contracts with customers</b>		
<b>within the scope of IFRS 15</b>		
Disaggregated by major products		
Pearlescent pigment products	<b>1,528,263</b>	964,003
Functional mica filler and related products	<b>98,689</b>	89,433
Trading of pigments	<b>21,664</b>	10,593
Others	<b>147</b>	26
Total	<b><u>1,648,763</u></b>	<b><u>1,064,055</u></b>

The Group derives revenue from the transfer of goods at a point in time.

## 5. Segment information

The chief operating decision maker has been identified as the executive Directors.

The Group has identified two reportable segments as follows:

- PRC Business Operation — manufacturing and sales of pearlescent pigment and functional mica filler in the PRC
- Korea Business Operation — manufacture and sale of pearlescent pigment in Korea

The Group's reportable segments are strategic business units that managed by separate management. They are managed separately because each business requires different marketing strategies.

Segment profits or losses do not include unallocated administrative expenses, other income, other gains and losses, finance costs and income tax credit or expenses. Segment assets do not include unallocated prepayment, deposit, tax recoverable and bank and cash balances. Segment liabilities do not include unallocated accruals and other payable, convertible bond, derivative component of convertible bond, lease liabilities and current tax liabilities.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

**Information about reportable segment profit or loss, assets and liabilities:**

	<b>Korea</b>	<b>PRC</b>	
	<b>Business</b>	<b>Business</b>	
	<b>Operation</b>	<b>Operation</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Year ended 31 December 2024</b>			
Revenue from external customers			
– Pearlescent pigment	294,782	1,233,481	1,528,263
– Functional mica filler and related products	—	98,689	98,689
– Trading of pigments	21,664	—	21,664
– Others	147	—	147
Intersegment revenue	—	2,012	2,012
Total revenue of reportable segments	<b>316,593</b>	<b>1,334,182</b>	<b>1,650,775</b>
Segment profit	<b>38,362</b>	<b>405,079</b>	<b>443,441</b>
Interest income	<b>389</b>	<b>7,733</b>	<b>8,122</b>
Interest expense	<b>5,626</b>	<b>78,857</b>	<b>84,483</b>
Depreciation and amortisation	<b>29,497</b>	<b>56,825</b>	<b>86,322</b>
Income tax expense	<b>15,469</b>	<b>70,551</b>	<b>86,020</b>
Additions to segment non-current assets	<b>14,810</b>	<b>509,854</b>	<b>524,664</b>
<b>As at 31 December 2024</b>			
Segment assets	<b>570,181</b>	<b>5,397,295</b>	<b>5,967,476</b>
Segment liabilities	<b>155,793</b>	<b>1,456,012</b>	<b>1,611,805</b>

	Korea Business Operation	PRC Business Operation	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Year ended 31 December 2023</b>			
Revenue from external customers			
– Pearlescent pigments	92,487	871,516	964,003
– Functional mica filler and related products	—	89,433	89,433
– Trading of pigments	10,593	—	10,593
– Others	26	—	26
Intersegment revenue	—	388	388
Total revenue of reportable segment	103,106	961,337	1,064,443
Segment profit	8,946	266,560	275,506
Interest income	85	8,882	8,967
Interest expense	1,369	20,656	22,025
Depreciation and amortisation	9,871	53,595	63,466
Income tax expense	1,078	39,668	40,746
Additions to segment non-current assets (other than those arising from the acquisition)	1,263	159,489	160,752
<b>As at 31 December 2023</b>			
Segment assets	617,378	4,180,031	4,797,409
Segment liabilities	100,291	638,209	738,500

**Reconciliations of segment revenue and profit or loss:**

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>		
Total revenue of reportable segments	<b>1,650,775</b>	1,064,443
Elimination of intersegment revenue	<b>(2,012)</b>	(388)
Consolidated revenue	<b><u>1,648,763</u></b>	<b><u>1,064,055</u></b>
<b>Profit or loss</b>		
Total profit or loss of reportable segments	<b>443,441</b>	275,506
Unallocated amounts:		
Administrative expenses	<b>(73,787)</b>	(43,710)
Interest expenses	<b>(33,953)</b>	(29,407)
Interest income	<b>9,033</b>	2,745
Others	<b>(24,462)</b>	8,151
Consolidated profit after tax	<b><u>320,272</u></b>	<b><u>213,285</u></b>

**Reconciliations of segment assets and liabilities:**

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Assets</b>		
Total assets of reportable segments	<b>5,967,476</b>	4,797,409
Unallocated assets:		
Right-of-use assets	<b>2,613</b>	4,142
Property, plant and equipment	<b>759</b>	1,112
Escrow deposit	<b>496,427</b>	—
Bank and cash balances	<b>585,322</b>	350,791
Others	<b>1,911</b>	1,828
Consolidated total assets	<b><u>7,054,508</u></b>	<b><u>5,155,282</u></b>
	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Liabilities</b>		
Total liabilities of reportable segments	<b>1,611,805</b>	738,500
Unallocated liabilities:		
Convertible bonds	<b>333,715</b>	313,029
Derivative component of convertible bond	<b>5,900</b>	3,822
Borrowing	<b>740,358</b>	—
Others	<b>9,605</b>	14,786
Consolidated total liabilities	<b><u>2,701,383</u></b>	<b><u>1,070,137</u></b>



### Geographical information:

The Group's revenue from external customers by location of operations are detailed below:

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
The PRC	<b>1,358,357</b>	961,325
Korea	<b>111,841</b>	38,341
Europe	<b>60,483</b>	22,600
The United States	<b>25,088</b>	9,771
Others	<b>92,994</b>	32,018
Consolidated total	<b><u>1,648,763</u></b>	<b><u>1,064,055</u></b>

The Group's information about its non-current assets, other than deferred tax assets, by location of assets are detailed below:

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
The PRC	<b>1,381,328</b>	928,298
Korea	<b>316,665</b>	365,789
Hong Kong	<b>3,371</b>	5,255
Others	<b>—</b>	47
Consolidated total	<b><u>1,701,364</u></b>	<b><u>1,299,389</u></b>

### Revenue from major customers:

There was no customer that had contributed over 10% of the Group's revenue during the year ended 31 December 2024 and 2023.

## 6. Income tax expense

	<u>2024</u>	<u>2023</u>
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
Current tax		
Provision for the year		
– PRC Enterprise Income Tax	<b>70,038</b>	36,312
– Korea Corporate Income Tax	<b>8,978</b>	2,074
	<u><b>79,016</b></u>	<u>38,386</u>
Under/(over)-provision in prior year		
– PRC Enterprise Income Tax	<b>513</b>	946
– Hong Kong Profits Tax	—	(1)
– Korea Corporate Income Tax	<b>5,404</b>	—
	<u><b>5,917</b></u>	<u>945</u>
	<u><b>84,933</b></u>	<u>39,331</u>
Deferred tax	<u><b>1,087</b></u>	<u>1,415</u>
	<u><b>86,020</b></u>	<u>40,746</u>

Hong Kong Profit Tax is calculated at 16.5% in the estimated assessable for both years.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Except for the preferential PRC Enterprise Income Tax (“**EIT**”) rate applicable to the subsidiaries of the Company in the PRC as described below, other subsidiaries of the Company in the PRC are subject to PRC EIT at a rate of 25% for both years.

Korea Corporate Income Tax is calculated at 9% for assessable income below Korean Won (“**KRW**”) 200 million, 19% for assessable income between KRW200 million and KRW20 billion, 21% for assessable income between KRW20 billion and KRW300 billion and 24% for assessable income above KRW300 billion for both years.

France Corporation Tax is calculated at the applicable rate of 25% (FY2023: 25%) in accordance with the relevant law and regulations in France for both years.

The Company is incorporated in the Cayman Islands and subject to Hong Kong Profits Tax. No provision for Hong Kong profits tax has been made in the financial statements since the Company has no assessable profit for the FY2024.

The subsidiary incorporated in the British Virgin Islands is not subject to income tax.

Those subsidiaries incorporated in Hong Kong and France have had no assessable profit subject to Hong Kong Profits Tax or France Corporation Tax during the FY2024 and the FY2023, respectively.

Pursuant to the relevant laws and regulations in the PRC, Guangxi Chesir Pearl Material Co., Ltd. (“**Chesir Pearl**”) and Luzhai Chesir Pearl Mica Material Co., Ltd. (“**Chesir Luzhai**”), subsidiaries of the Company, obtained the high and new technology enterprise certificate to entitle to a preferential tax rate of 15% (FY2023: 15%) during the FY2024, subject to annual review by the relevant authority.

## 7. Profit for the year

The Group's profit for the year is stated after charging the following:

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Auditor's remuneration		
– audit service	<b>3,458</b>	2,618
– non-audit service	<b>680</b>	1,792
Costs in relation to acquisition of CQV (included in administrative expenses)	—	3,569
Amortisation of intangible assets	<b>6,947</b>	2,988
Depreciation on property, plant and equipment	<b>76,783</b>	58,848
Depreciation on right-of-use assets	<b>4,474</b>	2,252
Research and development expenditures	<b>89,540</b>	75,018
Cost of inventories sold (note)	<b>764,105</b>	528,035
Allowance for inventories (included in cost of sales)	<b>2,968</b>	117
Reversal of impairment losses for trade, bills and other receivables, net	<b>(6,607)</b>	<b>(618)</b>

*Note:* The following costs are included in the amounts of cost of inventories sold disclosed separately above:

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Staff costs	<b>101,000</b>	57,061
Depreciation on property, plant and equipment	<b>39,353</b>	25,231
Operating lease charge	<b>51</b>	3

## 8. Dividends

The Board has decided not to declare and pay any final dividend for the FY2024 (FY2023: Nil).

## 9. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following:

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Earnings</b>		
Profit for the purpose of calculating basic and diluted earnings per share	242,176	181,578
Adjustments to the share of profit of a subsidiary based on dilution of their earning per share	<u>(2,259)</u>	<u>—</u>
Profit attributable to owners of the company, used in the diluted earnings per share calculation	<u>239,917</u>	<u>181,578</u>
	<u>2024</u>	<u>2023</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>1,238,870</u>	<u>1,208,799</u>

No adjustment has been made to the basic earnings per share amounts presented for the FY2023 in respect of a dilution as the impact of the conversion of convertible bonds had an anti-dilutive effect on the basic earnings per share amounts presented.

## 10. Trade and bills receivables

	<u>2024</u>	<u>2023</u>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Trade receivables	<b>513,020</b>	372,686
Bills receivables	<b>4,036</b>	4,727
Allowance for doubtful debts	<b>(4,583)</b>	(12,100)
	<b><u>512,473</u></b>	<b><u>365,313</u></b>

The Group generally allows a credit period from 30 to 180 days for its customers. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors of the Company.

The ageing analysis of trade and bills receivables based on the invoice date (or date of revenue recognition, if earlier), and net of allowance, is as follows:

	<u>2024</u>	<u>2023</u>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
0 to 90 days	<b>446,931</b>	309,651
91 to 180 days	<b>65,376</b>	55,222
181 to 365 days	<b>166</b>	440
	<b><u>512,473</u></b>	<b><u>365,313</u></b>

## 11. Share capital

	<u>Number of shares issued</u>	<u>Authorised</u> <i>HK\$'000</i>	<u>Issued and fully paid</u> <i>RMB'000</i>
Share capital of the Company in ordinary shares of HK\$0.1 each			
At 1 January 2023	1,191,763,586	8,000,000	99,319
Shares issued for acquisition of a subsidiary (note)	<u>47,106,546</u>	<u>—</u>	<u>4,382</u>
At 31 December 2023, 1 January 2024 and 31 December 2024	<u>1,238,870,132</u>	<u>8,000,000</u>	<u>103,701</u>

*Note:* On 22 August 2023, 47,106,546 ordinary shares of the Company of par value of HK\$0.1 each were issued at a price of HK\$4.24 (the closing price of the Company's share at that date) in connection with acquisition of a subsidiary with a consideration of approximately KRW34,032,293,000 (equivalent to approximately RMB187,310,000) settled by shares of the Company of which KRW796,203,000 (equivalent to approximately RMB4,382,000) were credited to the Company's share capital and the remaining proceeds of approximately KRW33,236,090,000 (equivalent to approximately RMB182,928,000) were credited to the share premium account.

## 12. Trade payables

The ageing analysis of trade payables based on the date of receipt of goods or date of invoices, is as follows:

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	<b>86,230</b>	32,707
91 to 180 days	<b>1,307</b>	205
181 to 365 days	<b>1,116</b>	85
Over 365 days	<b>360</b>	260
	<b><u>89,013</u></b>	<b><u>33,257</u></b>

## 13. Contingent liabilities

CQV is a defendant in a lawsuit for injunction of patent infringement brought during 2022 claiming approximately RMB1.1 million (2023: RMB1.1 million). The Group intends to contest the claim, and while the final outcome of the proceedings is uncertain, it is the directors' opinion that the ultimate liability, if any, will not have a material impact on the Group's financial position.

## 14. Capital commitments

Capital commitments contracted for at the end of the reporting period but not yet incurred and provided for are as follows:

	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	<b>686,063</b>	275,058
Acquisition of worldwide global surface solutions business	<b>5,187,000</b>	—
	<b><u>5,873,063</u></b>	<b><u>275,058</u></b>



## BUSINESS DEVELOPMENT REVIEW

The year 2024 was a crucial year for the Group to fulfill its “internationalisation and corporatisation” operational plan. During the year, in the face of an increasingly complex and intricate international and domestic environment, the management has firmly maintained its confidence in development and strategic resolve. With “materials” as the core and “innovation” as the driving force, the Group has built a full-scenario application ecosystem covering “industry, consumption, and future technology” around the three core areas of “green manufacturing, advanced materials, and intelligent applications”, enabling materials to empower a better future. The development of the Group has braved the wind and waves, forged ahead with fortitude, and continued its high-quality development trend.

In the FY2024, the Group effectively sustained its “stable” momentum. We have always adhered to being market-oriented and customer-focused, and have made remarkable market expansion achievements in the fields of high-end pearlescent materials, synthetic mica and new energy materials. Our excellent product quality and superior services have enabled the Company to achieve robust performance growth in both domestic and international markets.

For the FY2024, the Group’s revenue amounted to approximately RMB1,648.8 million, representing a year-on-year increase of approximately 55.0%, and net profit amounted to approximately RMB320.3 million, representing a year-on-year increase of approximately 50.2%.

EBITDA for the FY2024 amounted to approximately RMB612.9 million, representing an increase of approximately 65.9% as compared to approximately RMB369.6 million for the FY2023.

In the FY2024, the pace of “progression” of the Group was firm and strong.

The pace of “progression” is embodied in the cultivation and expansion of production capacity. With the accelerated advancement of high-end production capacity layout upstream and downstream, a number of major projects have been successfully implemented, further extending our industrial chain and cultivating and expanding our production capacity. The Phase 2 Pearlescent Material Plant of Guangxi Chesir Pearl Material Co., Ltd. (“**Chesir Pearl**”) with an annual production capacity of 30,000 tonnes of pearlescent materials, has officially commenced production, the construction of the project with an annual production capacity of 100,000 tonnes of surface performance materials in Tonglu, Hangzhou (the “**Tonglu Project**”) has also been successfully launched, and the Shenzhen office has been formally opened. The putting into production and launching of these projects mark significant progress in the cultivation and expansion of the Group production capacity.

The pace of “progression” is embodied in the successful implementation of the strategy of “Outward Expansion (外延式擴張)”. On 25 July 2024, the Company has entered into an agreement with, among others, Merck KGaA in relation to the proposed acquisition (the “**Proposed Transaction**”) of a worldwide global surface solutions business (the “**Global Surface Solutions Business**”). This proposed strategic acquisition will not only bring us new technologies and market resources, but also drive further breakthroughs by the Group in the international market, thereby injecting new vitality into the Group’s long-term development. This proposed strategic acquisition will also reshape the market landscape of the surface performance materials industry. By leveraging the global business network of the Global Surface Solutions Business, we will accelerate our internationalisation, enhance our brand influence, expand into new markets and business areas, and open a new chapter in the surface performance materials industry.

The pace of “progression” is embodied in the significant effect of synergistic development. Since CQV Co., Ltd. (“**CQV**”), a well-known pearlescent material enterprise in Korea, was acquired by and merged into the Group, the Group has achieved deep synergies in various aspects such as market channels, product research and development, and supply chain management, with steady improvement in operating results and significant synergistic effects. This has not only strengthened the Group’s global competitiveness, but also further consolidated our leading position in the international market.

The pace of “progression” is embodied in the optimisation of product structure adjustment. Through our unremitting efforts in independent research and development, we have actively promoted products iterations and innovative upgrades, further increasing the share of mid-to-high-end products. Our innovative products and technologies have shone brightly in many industry exhibitions, garnering widespread attention and recognition from the industry. At the 2024 “Xuan Cai Huan Xin (絢彩煥新)” new product launch, we unveiled five innovative series of new products and ten popular colours of the year. These new products have not only enriched our product line, but also set a new trend in the industry, leading the new market directions.

As at 31 December 2024, the total number of pearlescent pigment products offered by Chesir Pearl of the Group had reached 1,179, which comprise:

- (a) 592 natural mica-based pearlescent pigment products under 17 series of different colours, textures and gloss levels;

- (b) 472 synthetic mica-based pearlescent pigment products under 15 series of different colours, textures and gloss levels;
- (c) 94 glass flake-based pearlescent pigment products under 5 series of different transparency, refractive index and flake structure; and
- (d) 21 silicon oxide-based pearlescent pigment products under 1 series.

As at 31 December 2024, the total number of pearlescent pigment products offered by CQV of the Group had reached 993, which comprise:

- (1) 507 synthetic mica-based products;
- (2) 159 natural mica-based products;
- (3) 140 glass flake-based products;
- (4) 102 aluminium oxide-based products;
- (5) 3 PMSQ and silicon dioxide-based products;
- (6) 43 hollow flake titanium oxide-based products;
- (7) 33 aluminium silver paste metal pigment products; and
- (8) 6 coloured aluminium metal pigment products.

For the FY2024, we successfully obtained 7 new authorised patents and registered 3 new trademarks.

As at 31 December 2024, we owned a total of 156 patents, 76 registered trademarks and 4 software copyrights.

In the FY2024, the Group accelerated the “quality (含金量)” of its business growth by developing “green content (含綠量)” in its operations.

Today, green has become the distinctive base colour of the Group’s high-quality development.

Since the beginning of the year, the Group has focused on practical business development, aiming to accelerate the formation of a resource-saving and environmentally friendly spatial layout, production model and lifestyles. We have deeply promoted the synergistic advancement of carbon reduction, pollution reduction, green expansion and growth, and accelerated towards the beautiful vision of harmonious coexistence between humanity and nature, thereby accelerating the “quality (含金量)” of our business growth by developing “green content (含綠量)” in our operations.

At the highly anticipated first Sino-European Enterprises ESG Best Practice Conference in Frankfurt, the Group was honoured with the “Best Practice Award for Social Responsibility”. It also won the “Award of Excellence in ESG” at the 2024 Hong Kong Corporate Governance and Environmental, Social, and Governance (ESG) Excellence Awards ceremony. Moreover, at the 7th Annual Investment Conference of Cailianshe (財聯社) in 2024, the Company was honoured with the “Innovation and Sustainable Development Award”. These honours not only recognise the Company’s significant contributions to promoting social and environmental sustainable development but also demonstrate the Company’s outstanding achievements in social responsibility practices, such as caring for employees, supporting social development, and actively participating in public welfare and charity.

## **FINANCIAL REVIEW**

The following sets forth the management discussion and analysis of the performance of the Group during the FY2024. Comparisons have also been made to the performance of the Group during the FY2023. Please refer to note 2 to this annual results announcement on the basis upon which the results of the Group are prepared for the FY2024 and the FY2023.

## Revenue

The Group is principally engaged in the business of the production and sales of pearlescent pigment products and functional mica and related products in the PRC and Korea. The assets of the Group are substantially located in the PRC and Korea. The Group's reportable segments are strategic business units managed by separate management as each segment requires different marketing strategies. The Group offers to its customers a range of pearlescent pigment products, namely (a) natural mica-based pearlescent pigment products; (b) synthetic mica-based pearlescent pigment products; (c) glass flake-based pearlescent pigment products; (d) silicon oxide-based pearlescent pigment products; (e) aluminium oxide-based pearlescent pigment products; and (f) aluminium-based pearlescent products.

The revenue of the Group is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties.

The table below sets forth an analysis of the Group's revenue by reportable segments:

	<b>Year ended 31 December</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Revenue</b>	<b>Proportion of Revenue</b>	<b>Revenue</b>	<b>Proportion of revenue</b>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
<b>PRC Business Operation</b>	<b>1,332,170</b>	<b>80.8</b>	960,949	90.3
<b>Korea Business Operation</b>	<b>316,593</b>	<b>19.2</b>	103,106	9.7
<b>Total</b>	<b>1,648,763</b>	<b>100.0</b>	1,064,055	100.0

The total revenue of the Group increased from approximately RMB1,064.1 million for the FY2023 to approximately RMB1,648.8 million for the FY2024, representing a year-on-year increase of approximately 55.0%. The revenue generated from the PRC Business Operation, which accounted for approximately 80.8% (FY2023: approximately 90.3%) of the total revenue of the Group for the FY2024, increased by approximately 38.6% from approximately RMB960.9 million for the FY2023 to approximately RMB1,332.2 million for the FY2024. Such increase was mainly due to the increase in sales in natural mica-based and synthetic mica-based pearlescent pigment products. The revenue generated from the Korea Business Operation amounted to approximately RMB316.6 million for the FY2024 (FY2023: approximately RMB103.1 million), accounting for approximately 19.2% of the total revenue of the Group for the FY2024 (FY2023: approximately 9.7%).

The table below sets forth an analysis of the Group's revenue by major products:

	<b>Year ended 31 December</b>			
	<b>2024</b>		<b>2023</b>	
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
<b>Pearlescent pigment products</b>				
– Natural mica-based.....	<b>712,380</b>	<b>43.2</b>	399,762	37.6
– Synthetic mica-based.....	<b>518,232</b>	<b>31.4</b>	438,171	41.2
– Glass flakes-based.....	<b>142,238</b>	<b>8.6</b>	79,419	7.5
– Silicon oxide-based.....	<b>42,290</b>	<b>2.6</b>	11,395	1.0
– Aluminium oxide-based.....	<b>104,931</b>	<b>6.4</b>	33,060	3.1
– Aluminium-based.....	<b>8,192</b>	<b>0.5</b>	2,196	0.2
	<b>1,528,263</b>	<b>92.7</b>	964,003	90.6
<b>Functional mica filler <sup>(1)</sup></b>	<b>92,782</b>	<b>5.6</b>	83,766	7.9
<b>New energy material <sup>(2)</sup></b>	<b>5,907</b>	<b>0.4</b>	5,667	0.5
<b>Others</b>	<b>21,811</b>	<b>1.3</b>	10,619	1.0
<b>Total</b>	<b>1,648,763</b>	<b>100.0</b>	1,064,055	100.0

Notes:

- (1) The Group produces functional mica filler of different granule sizes, which can be used by the Group for the production of synthetic mica-based pearlescent pigment products. The functional mica filler can also be sold to the customers of the Group, in most cases upon the customers' requests, as their raw materials for the production of functional mica filler, insulating materials, refractory materials and nickel-hydrogen batteries.

- (2) The Group had developed a number of synthetic mica-based new energy battery insulation and flame retardant materials. The high temperature resistance parameter reaches 1,150°C and a high voltage breakdown resistance parameter reaches 20KV/mm.

The customers of the Group may be broadly divided into trading company customers and end user customers. The former will re-sell the products to their own customers with whom the Group does not have direct contractual relationship. End user customers are customers using the pearlescent pigment products for their own use and production purpose.

The table below sets forth an analysis of the Group's sales to trading company customers and end user customers by products:

	<b>Year ended 31 December</b>			
	<b>2024</b>		<b>2023</b>	
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
<b>Trading company customers</b>				
– Pearlescent pigment products .	<b>1,273,209</b>	<b>77.2</b>	796,922	74.9
– Functional mica filler .....	<b>83,854</b>	<b>5.1</b>	78,899	7.4
– New energy material* .....	—	—	—	—
– Others .....	<b>19,029</b>	<b>1.2</b>	9,469	0.9
	<b>1,376,092</b>	<b>83.5</b>	885,290	83.2
<b>End user customers</b>				
– Pearlescent pigment products .	<b>255,016</b>	<b>15.4</b>	167,081	15.7
– Functional mica filler .....	<b>8,928</b>	<b>0.5</b>	4,867	0.5
– New energy material .....	<b>5,907</b>	<b>0.4</b>	5,667	0.5
– Others .....	<b>2,820</b>	<b>0.2</b>	1,150	0.1
	<b>272,671</b>	<b>16.5</b>	178,765	16.8
<b>Total</b>	<b>1,648,763</b>	<b>100.0</b>	1,064,055	100.0

\* Value insignificant

The table below sets forth an analysis of the Group's sales to customers by location:

	<b>Year ended 31 December</b>			
	<b>2024</b>		<b>2023</b>	
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
The PRC.....	<b>1,363,588</b>	<b>82.7</b>	961,325	90.3
Asia <sup>(1)</sup> .....	<b>169,225</b>	<b>10.3</b>	64,927	6.1
Europe <sup>(2)</sup> .....	<b>62,534</b>	<b>3.8</b>	22,599	2.1
Africa <sup>(3)</sup> .....	<b>10,027</b>	<b>0.6</b>	2,929	0.3
North America <sup>(4)</sup> .....	<b>18,165</b>	<b>1.1</b>	10,232	1.0
South America <sup>(5)</sup> .....	<b>25,224</b>	<b>1.5</b>	2,043	0.2
<b>Total</b>	<b><u>1,648,763</u></b>	<b><u>100.0</u></b>	<b><u>1,064,055</u></b>	<b><u>100.0</u></b>

\* *Value insignificant*

Notes:

- (1) Countries and territories in Asia include Pakistan, Hong Kong, Macau and Taiwan, Korea, Bangladesh, Japan, Saudi Arabia, Thailand, Turkey, Israel, India, Indonesia, Jordan, Singapore and Vietnam.
- (2) European countries include Estonia, Belgium, Poland, Germany, Finland, the Netherlands, Serbia, Switzerland, Spain, Italy and the United Kingdom.
- (3) Countries in Africa include Algeria, Morocco, Tunisia and Egypt.
- (4) Countries in North America include the United States, Canada and Mexico.
- (5) Countries in South America include Brazil and Chile.



### ***Sales of pearlescent pigment products***

The revenue generated from sales of pearlescent pigment products increased to approximately RMB1,528.3 million in the FY2024 from approximately RMB964.0 million in the FY2023, representing an increase of approximately RMB564.3 million or approximately 58.5%. Sales of natural mica-based pearlescent pigment products increased by approximately RMB312.6 million, or approximately 78.2%, as compared to the FY2023. Sales of synthetic mica-based pearlescent pigment products increased by approximately RMB80.1 million, or approximately 18.3%, as compared to the FY2023. Sales of glass flake-based pearlescent pigment products increased by approximately RMB62.8 million, or approximately 79.1%, as compared to the FY2023. Sales of silicon oxide-based pearlescent pigment products increased by approximately RMB30.9 million, or approximately 271.1%, as compared to the FY2023. Sales of aluminium oxide-based pearlescent pigment products increased by approximately RMB71.9 million, or 217.4%, as compared to the FY2023. Sales of aluminium-based pearlescent pigment products increased by approximately RMB6.0 million, or 273.0%, as compared to the FY2023. Sales of other non-pearlescent pigment products increased by approximately RMB20.4 million, or 20.4%, as compared to the FY2023. The increase in revenue from sales of pearlescent pigment products was mainly due to (a) the increase in both sales volume and sales price of pearlescent pigment products, and (b) the consolidation of CQV's full year revenue into the accounts of the Group for the FY2024, as compared to the consolidation of CQV's four-month's revenue for the FY2023.

### ***Sales of functional mica filler***

The sales of functional mica filler increased to approximately RMB92.8 million in the FY2024 from approximately RMB83.8 million in the FY2023, representing an increase of approximately RMB9.0 million or approximately 10.8%. The increase was due to the increasing demand for the synthetic mica-based pearlescent pigment products and the increase in the production of synthetic mica-based pearlescent pigment products as a result of technological improvement and the commercial operation of the additional equipment of Phase 1 Production Plant.

### ***Sales of new energy material***

New energy material produced by the Group included the synthetic mica-based new energy battery insulation and flame retardant materials. The sales of new energy material recorded approximately RMB5.9 million in the FY2024 (FY2023: approximately RMB5.7 million).

### **Cost of goods sold**

The cost of goods sold increased by approximately 44.7% from approximately RMB528.0 million in the FY2023 to approximately RMB764.1 million in the FY2024. The increase in cost of goods sold was mainly due to the increase in the sales volume of pearlescent pigment products by approximately 35.9% from approximately 18,685 tonnes in the FY2023 to approximately 25,404 tonnes in the FY2024 and the increase in the sales volume of functional mica filler by approximately 11.4% from approximately 3,057 tonnes in the FY2023 to approximately 3,404 tonnes in the FY2024.

### **Gross profit and gross profit margin**

The gross profit increased to approximately RMB873.7 million in the FY2024 from approximately RMB528.3 million in the FY2023, representing an increase of approximately 65.4%. The increase in the amount of the gross profit was primarily due to the increase in the amount of revenue. The gross profit margin was approximately 53.0% for the FY2024, representing an increase of approximately 3.3% as compared to the gross profit margin for the FY2023. The increase in gross profit margin for the FY2024 as compared to the FY2023 was mainly attributable to the change in the products mix of the Group's products in the FY2024.

### **Other income and other gains and losses**

The amount of other income and other gains and losses in the FY2024 was approximately RMB2.4 million, as compared to approximately RMB28.0 million in the FY2023. The decrease was mainly due to the increase in exchange loss of approximately RMB28.4 million in the FY2024.

### **Reversal of impairment losses for trade, bills and other receivables, net**

The Group has a reversal of impairment losses for trade, bills and other receivables, net of approximately RMB6.6 million in the FY2024, as compared to approximately RMB0.6 million in the FY2023.

### **Selling expenses**

The selling expenses increased to approximately RMB95.5 million in the FY2024 from approximately RMB62.8 million in the FY2023, representing an increase of approximately 52.1%. The increase in the selling expenses was mainly attributable to the inclusion of CQV's selling expenses for a full financial year in the FY2024 by way of consolidation into the accounts of the Group and the increase in the Group's selling and transportation expenses, salaries and promotion expenses due to the increase in sales.

## **Administrative and other operating expenses**

The administrative and other operating expenses increased to approximately RMB262.4million in the FY2024 from approximately RMB188.6 million in the FY2023, representing an increase of approximately 39.1%. Such increase was mainly attributable to inclusion of CQV's relevant expenses for a full financial year in the FY2024 by way of consolidation into the accounts of the Group; the expenses incurred in engaging professional services in relation to potential acquisition opportunities; the staff costs of addition of merger and acquisition team; and the increase in amortisation of intangible assets.

## **Finance costs**

Finance costs increased from approximately RMB51.4 million in the FY2023 to approximately RMB118.4 million in the FY2024, representing a significant increase of approximately 130.3%. Such increase was mainly due to the increase in bank loans and other borrowings, the interest expenses for the Tranche A Convertible Bond, the First Tranche Initial Bond and the other borrowings for the preparation of the proposed acquisition of the Global Surface Solutions Business.

## **Income tax expense**

The income tax expense increased to approximately RMB86.0 million in the FY2024 from approximately RMB40.7 million in the FY2023. The increase was primarily due to expansion of the Group's business in Korea through CQV since August 2023; and the increase in PRC Enterprise Income Tax in the FY2024.

## **Profit for the year**

As a result of the foregoing, the profit for the FY2024 amounted to approximately RMB320.3 million, representing an increase of approximately 50.2%, as compared to approximately RMB213.3 million in the FY2023. Net profit margin for the FY2024 and the FY2023 was approximately 19.4% and 20.0%, respectively.

## **Use of the net proceeds from the Global Offering and change in use of net proceeds**

The shares (the “**Shares**”) of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 16 July 2021. The Over-allotment Option (as defined and described in the prospectus (the “**Prospectus**”) of the Company dated 30 June 2021) was partially exercised on 5 August 2021. The total number of new Shares issued by the Company under the global offering (the “**Global Offering**”) was 319,742,000 and the amount of the net proceeds received by the Company from the Global Offering amounted to HK\$970.2 million. The Company received the amount of the net proceeds from the Global Offering in July 2021 and August 2021, respectively.

As disclosed in the announcement of the Company dated 25 July 2024, on 25 July 2024, the Company has entered into an agreement with, among others, Merck KGaA in relation to the Proposed Transaction for acquiring the Global Surface Solutions Business at the aggregate consideration of EUR665,000,000 (subject to adjustment) (the “**Consideration**”). Please refer to the said announcement of the Company for further information.

In light of (a) the Proposed Transaction, (b) the completion of relocation of certain structures built on the land in relation to the construction of a synthetic mica plant in Luzhai (the “**Luzhai Synthetic Mica Plant**”) did not progress as contemplated, the Board has resolved to change the use of the unutilised proceeds in the aggregate amount of HK\$330.8 million to finance the settlement of the Consideration of the Proposed Transaction.

The table below sets forth a summary of the original allocation of the net proceeds, the revised allocation of net proceeds and the actual utilisation amounts for the FY2024:

	Original allocation of the net proceeds from the Global Offering	Revised allocation of the net proceeds from the Global Offering	Percentage to the total net proceeds	Remaining balance as at 31 December 2023	Amount utilised up to 31 December 2024	Remaining balance as at 31 December 2024	Expected timeline for the intended use
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>%</i>	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>	
Construction of the Phase 2 Production Plant.....	539.5	539.5	55.6	156.6	539.5	—	Utilised
Construction of the Luzhai Synthetic Mica Plant.....	330.8	—	—	—	—	—	—
Increase investment in research and development facilities and testing equipment of the research and development centre .....	68.9	68.9	7.1	—	68.9	—	Utilised
Sales and marketing activities and building sales network....	31.0	31.0	3.2	4.9	31.0	—	Utilised
Financing the settlement of the Consideration of the Proposed Transaction.....	—	330.8	34.1	330.8	—	330.8	By end of 2025
Total	<u>970.2</u>	<u>970.2</u>	<u>100.0</u>	<u>492.3</u>	<u>639.4</u>	<u>330.8</u>	

The Group remains committed to the construction of the Luzhai Synthetic Mica Plant and intends to finance its construction by internal resources as and when necessary.

The Board considers that the changes in the use of net proceeds are fair and reasonable, and would meet the financial needs of the Group more efficiently and enhance the flexibility in financial management of the Company. The Board is of the view that the reallocation is in line with the business strategy of the Group and will not adversely affect the operation and business of the Group and is in the best interests of the Company and the Shareholders as a whole.

The Directors will continuously assess the business objectives of the use of net proceeds and will revise or amend such plans to cope with the changing market conditions to ensure the business growth of the Group.

## **Use of the net proceeds from the issue of the Tranche A Convertible Bond**

On 28 December 2022, the Company entered into the subscription agreement (the “**Subscription Agreement**”) with Hong Kong Boyue International Investment Fund Co., Limited (the “**2022 CB Subscriber**”), pursuant to which the Company conditionally agreed to issue, and the 2022 CB Subscriber conditionally agreed to subscribe and pay for, the 3.50% coupon convertible bonds (the “**2022 Convertible Bonds**”) in the aggregate principal amount up to RMB500.0 million, comprising the Tranche A Convertible Bond in the principal amount of RMB300.0 million and the Tranche B Convertible Bond in the principal amount of not more than RMB200.0 million. The 2022 Convertible Bonds have an initial conversion price of HK\$7.6 per Share and are convertible into Shares. The closing price of the Shares on 28 December 2022, being the date on which the terms of the Subscription Agreement were fixed, was HK\$4.00 per Share. Further details of the 2022 Convertible Bonds are disclosed in the announcement of the Company dated 28 December 2022.

On 30 December 2022, the Company completed the issue of the Tranche A Convertible Bonds in the principal amount of RMB300.0 million to the 2022 CB Subscriber. The amount of the net proceeds received by the Company from the issue of the Tranche A Convertible Bond amounted to RMB300.0 million. Further details of which are disclosed in the announcement of the Company dated 30 December 2022.

The table below sets forth the intended use of the net proceeds from the issue of the Tranche A Convertible Bond and the actual utilisation amount for the FY2024:

Prescribed usage	Allocation of the net proceeds from the issue of the Tranche A Convertible Bond		Amount			Expected timeline for the intended use
	Percentage to the total net proceeds	Remaining balance as at 31 December 2023	Remaining balance as at 31 December 2024	utilised up to 31 December 2024	Remaining balance as at 31 December 2024	
	<i>RMB' million</i>	<i>%</i>	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>	
Investment opportunities within the pearlescent pigments and synthetic mica industry .....	300.0	100.0	300.0	— <sup>(1)</sup>	300.0	By end of 2025

*Note:*

- (1) During the FY2024, the Group did not use any of the net proceeds from the issue of the Tranche A Convertible Bond for the intended purpose as disclosed above because while the Group has identified the suitable investment opportunity in the Proposed Transaction, completion of the Proposed Transaction has not yet taken place in the FY2024. The Board confirms that the intended use remains unchanged and such unutilised proceeds in the FY2024 would be used by the end of 2025 for the same purpose.

On 31 July 2023, the 2022 CB Subscriber submitted to the Company that it was unable to complete the subscription for the Tranche B Convertible Bond on or before 31 July 2023. Therefore, the 2022 CB Subscriber will not proceed to subscribe for the Tranche B Convertible Bond. Further details of which are disclosed in the announcement of the Company dated 31 July 2023.

### **Use of net proceeds from the issue of the First Tranche Initial Bond**

On 5 November 2023, the Company entered into an agreement (the “**Purchase Agreement**”) with Billion New Limited (the “**2023 CB Subscriber**”), pursuant to which (i) the Company conditionally agreed to issue, and the 2023 CB Subscriber conditionally agreed to subscribe for, the 9.0% initial convertible bonds in the aggregate principal amount of up to US\$50.0 million due 2025 (the “**Initial Bonds**”), comprising the First Tranche Initial Bond in the principal amount of up to US\$40.0 million and the Second Tranche Initial Bond in the principal amount of up to US\$10.0 million; and (ii) the Company may, pursuant to the

terms of the Purchase Agreement, exercise the option to conditionally issue to the 2023 CB Subscriber and/or any other incoming investor(s) 9.0% option convertible bonds in the principal amount of up to US\$30.0 million due 2025 (the “**Option Bonds**”, together with the Initial Bonds, the “**2023 Convertible Bonds**”). The 2023 Convertible Bonds have an initial conversion price of HK\$7.6 per Share and are convertible into Shares. The closing price of the Shares on 3 November 2023, being the date on which the terms of the Purchase Agreement were fixed, was HK\$3.81 per Share. Further details of the 2023 Convertible Bonds are disclosed in the announcement of the Company dated 5 November 2023.

On 8 November 2023, the Company completed the issue of the First Tranche Initial Bond in the principal amount of US\$40.0 million to the 2023 CB Subscriber. The amount of the net proceeds received by the Company from the issue of the First Tranche Initial Bond amounted to US\$40.0 million. Further details of which are disclosed in the announcement of the Company dated 8 November 2023.

The table below sets forth the intended use of the net proceeds from the issue of the First Tranche Initial Bond and the actual utilisation amount for the FY2024:

<u>Prescribed usage</u>	<b>Allocation of the net proceeds from the issue of the First Tranche Initial Bonds</b>		<b>Amount utilised during up to 31 December 2024</b>		<b>Remaining balance as at 31 December 2024</b>	<b>Expected timeline for the intended use</b>
	<i>US\$' million</i>	<i>Percentage to the total net proceeds</i>	<i>US\$' million</i>	<i>US\$' million</i>		
General working capital requirement of the Group .....	40.0	100.0	40.0	—	Utilised	

On 8 March 2024, 8 July 2024 and 8 November 2024, the Company and the 2023 CB Subscriber entered into the first supplemental agreement, the second supplemental agreement and the third supplemental agreement, respectively, whereby the parties agreed to extend the period for the Company to exercise the option to issue the Option Bonds (the “**Option Bond Period**”) by a total of 360 days (i.e. the last date of the Option Bond Period falling on 1 March 2025). Further details of which are disclosed in the announcements of the Company dated 8 March 2024, 8 July 2024 and 8 November 2024, respectively.



As the Company has not exercised the option to issue to Option Bonds by 1 March 2025, being the last date of the Option Bond Period, the option to issue the Option Bonds under the Purchase Agreement has lapsed.

As at the date of this announcement, the unutilised balance of the net proceeds from the Global Offering and the issue of the Tranche A Convertible Bond are deposited in the licensed banks in the PRC and Hong Kong.

## **BUSINESS OUTLOOK**

Looking into the future, the Group will fully implement the strategy of “Material + Innovation + Full-scenario”, and continue to make efforts in the three core areas of “green manufacturing, advanced materials and intelligent applications” to drive the Group to new heights.

2025 is the year of innovative development and global leadership for the Group. The Group will increase its investment in research and development, establish a global collaborative research and development mechanism, accelerate the commercialization of technological achievements in the fields of synthetic mica, pearlescent materials, new energy materials, etc., and create a full-scenario application matrix.

2025 is also a critical year for the in-depth integration of the Global Surface Solutions Business into the Group, subject to completion of the Proposed Transaction. Surrounding the Global Surface Solutions Business’s brand advantages, technical advantages and market resources, the Company will promote the in-depth integration of its surface performance materials with the existing pearlescent materials and functional materials, and enhance the competitiveness of its products through the collaboration of its global team and the integration of its resources, so as to consolidate its dominant position in the field of global surface performance materials.

We will focus our efforts on the following six areas:

- (i) integration of global sales channels;
- (ii) coverage of full range product portfolios;
- (iii) optimization of supply chain costs;

- (iv) enhancement of technology integration and innovation capabilities;
- (v) building of a global talent pool; and
- (vi) promotion of brand influence and market position.

We have set clear short-term goals to rapidly increase the Company's global sales scale and gross profit margin. Set out below are some of our key initiatives in the six areas:

### **Integration of global sales channel**

We will strive to open up and optimize global sales channels to ensure that our products can reach various markets and customer groups more efficiently.

### **Coverage of full range product portfolios**

We will continue to expand and improve our full range of high-, mid- and low-end product portfolios to meet the needs of different markets and consumers, thereby enhancing our competitiveness in the market.

### **Optimization of supply chain costs**

We will optimize our supply chain costs through refined management to improve operational efficiency and reduce costs.

We are focused on the future and have developed a medium to long-term strategic plan to ensure our continued leadership and growth in future markets. Here are some of our key initiatives:

### **Enhancement of technology integration and innovation capabilities**

We will continue to increase our investment in research and development to promote product upgrading and application expansion in the fields of cosmetic active ingredients and industrial functional products through enhancement of technology integration and innovation capabilities. On the basis of the steady growth of our existing business, we will explore and cultivate new growth areas to create a secondary growth curve for the Group. We will further tilt the focus of our downstream market expansion towards the consumer sector to meet growing end-consumer demand and capture new market opportunities.

## **Building of a global talent pool**

We will build a global talent pool to provide strong intellectual support for the Group's long-term growth and innovation.

## **Promotion of brand influence and market position**

Through a series of brand building and marketing activities, we will enhance our brand influence, achieve brand premium, and win a greater voice in the industry.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Liquidity and indebtedness**

The Group's business operation is generally financed by its internal financial resources and bank loans and other borrowings.

As at 31 December 2024 and 2023, the bank and cash balances amounted to approximately RMB3,411.4 million and approximately RMB3,203.5 million, respectively. These balances were maintained at a prudent level for the purpose of satisfying the requirements for daily business operations of the Group, the Tonglu Project and the Consideration for the Proposed Transaction. The increase in the bank and cash balances as at 31 December 2024 was mainly due to the issuance of CQV Convertible Bond, cash generated from operating activities and the increase in bank loans and other borrowings.

As at 31 December 2024 and 2023, the bank loans and other borrowings amounted to approximately RMB1,729.0 million and RMB327.0 million, respectively. The increase in the borrowings was mainly attributable to the increase in new bank loans and other borrowings of approximately RMB1,831.6 million, offset by the repayment of bank loans and other borrowings of approximately RMB353.4 million during the FY2024.

As at 31 December 2024, the Group had liability component of the convertible bonds of approximately RMB683.3 million (as at 31 December 2023: approximately RMB576.1 million).

## **Gearing ratio**

The gearing ratio (calculated as total interest bearing borrowings divided by total assets) of the Group was approximately 34.3% as at 31 December 2024 (as at 31 December 2023: approximately 17.6%). The increase in the gearing ratio was mainly due to the increase of bank loans and other borrowings.

## **Net asset value**

As at 31 December 2024 and 2023, the net assets of the Group amounted to approximately RMB4,353.1 million and approximately RMB4,085.1 million, respectively. Net asset value per Share contributed to owners of the Company as at 31 December 2024 amounted to approximately RMB2.73, as compared to approximately RMB2.55 as at 31 December 2023.

## **Contingent liabilities**

As at 31 December 2024, there was a pending lawsuit in respect of seeking an injunction of patent infringement being brought against CQV during 2022 and claiming approximately RMB1.1 million. The Group intends to contest the claim, and while the final outcome of the proceedings is uncertain, it is the Directors' opinion that the ultimate liability, if any, will not have a material impact on the Group's financial position.

## **Pledge of assets**

As at 31 December 2024, certain property, plant and equipment, right-of-use assets and patents with aggregate net book value of approximately RMB531.1 million, as compared to approximately RMB242.0 million as at 31 December 2023, were pledged to financial institutions as collaterals for bank and other borrowings.

As at 31 December 2024, the restricted deposits and restricted bank deposits pledged as security for the Group's banking facility amounted to approximately RMB32.1 million (as at 31 December 2023: approximately RMB2.4 million).

## **CAPITAL STRUCTURE**

There has been no material change in the capital structure of the Company during the FY2024. The capital of the members of the Group comprises ordinary shares.

Information about the share options of the Company and details of changes in the share options granted by the Company for the FY2024 is set forth in the paragraph under “Share Option Scheme” below.

As of 31 December 2024, the Company had issued (i) the Tranche A Convertible Bond in the aggregate principal amount of RMB300.0 million in relation to the 2022 Convertible Bonds issue on 30 December 2023; and (ii) the First Tranche Initial Bond in the principal amount of US\$40.0 million in relation to the 2023 Convertible Bonds issue on 8 November 2023. Both the Tranche A Convertible Bond and the First Tranche Initial Bond have an initial conversion price of HK\$7.6 per Share and are convertible into the maximum of 43,815,789 and 40,789,474 Shares, respectively.

## **CAPITAL EXPENDITURE AND COMMITMENTS**

Capital commitments represent the amount of capital expenditure contracted for as at a particular date but not yet incurred. As at 31 December 2024, the capital commitments amounted to approximately RMB5,873.1 million (as at 31 December 2023: approximately RMB275.1 million), which represent the Consideration of the Proposed Transaction, as well as the commitments to purchase property, plant and equipment including in relation to (a) the modifications and expansions of the Phase 1 Production Plant; (b) the construction of the Phase 2 Production Plant and the Luzhai Synthetic Mica Plant; (c) the Tonglu Project; and (d) the expansion of a research and development centre by CQV, and the respective acquisition of related facilities. It is estimated that the said commitments will be financed by internal resources and external financing.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL**

On 25 July 2024, the Company entered into an agreement (the “**Agreement**”) with: (a) the members of the Company and its affiliates nominated by the Company to purchase and acquire the relevant sale shares (the “**Share Purchasers**”), (b) Merck KGaA (the “**Seller**”), (c) the members of the Seller and its affiliates (excluding target companies) (the “**Seller Group**”) specified in the Agreement and members of the Seller Group nominated by the Seller to sell and transfer a portion of the worldwide surface solutions business of the Seller Group (the “**Business Sellers**”), and (d) Merck Electronics KGaA (Germany), Merck Chemicals B.V. (Netherlands), Merck Life Science KGaA (Germany) and the members of the Seller Group nominated by the Seller to sell and transfer the relevant sale shares (the “**Share Sellers**”) ((c) and (d) collectively the “**Designated Sellers**”).

Pursuant to the Agreement, the Seller and the Designated Sellers agreed to sell, and the Company and the Share Purchasers agreed to purchase, the worldwide global surface solutions business of the Seller Group at the aggregate consideration of EUR665,000,000 (equivalent to approximately RMB5,187,000,000 or HK\$5,586,000,000), subject to adjustments in accordance with the terms and conditions of the Agreement (the “**Consideration**”). The Consideration will be settled in cash and funded by the internal financial resources of the Group and external financing including bank loans.

Further details of the above are disclosed in the announcement of the Company dated 25 July 2024. Save as disclosed above, the Group did not have any other significant investment, material acquisition or disposal during the FY2024.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) during the FY2024.

As at 31 December 2024, the Company did not hold any treasury shares.

## **EMPLOYEES AND REMUNERATION POLICY**

Employees are one of the most important assets of the Group and their contribution and support are valuable. The Group would regularly review the employees' compensation and benefits packages to reward and recognise those with outstanding performance. Other fringe benefits, such as employees' provident fund and share options, if applicable, are provided to attract and retain talents helping the Group in success.

The Group had 693 employees in Mainland China, 15 employees in Hong Kong and 193 employees in Korea as at 31 December 2024 (as at 31 December 2023: 589, 9 and 171, respectively). The Group encourages high productivity and remunerates its employees based on their qualifications, work experience, prevailing market rates and individual contribution to the Group. Incentives in the form of bonuses and share options may also be offered to eligible employees based on individual performance. Pursuant to applicable laws and regulations, the Group has (a) participated in relevant defined contribution retirement schemes administered by responsible government authorities in the PRC for its employees there, (b) participated in defined benefit and defined contribution retirement pension plans in Korea for its employees there, and (c) provided a mandatory provident fund scheme to employees in Hong Kong.

## **FOREIGN EXCHANGE EXPOSURE**

The Group primarily operates in the PRC and Korea and most of its business transactions, assets and liabilities are denominated in Renminbi and Korean Won. The Group is exposed to foreign currency risk primarily in respect of US dollars and Japanese Yen denominated transactions from its operations in Korea. To efficiently and effectively manage these risks, the Group's financing and treasury activities are centrally co-ordinated at the corporate level. As a matter of policy, the management of the Group regularly and closely monitors the Group's foreign currency exposure from time to time and considers hedging against significant foreign currency exposure shall the need arises, such as by way of using forward foreign exchange contracts and currency swaps where active markets for the relevant currencies exist. During the FY2024, the Group did not commit to any financial instruments to hedge its foreign currency risk exposure, as the Directors are of the opinion that the related foreign currency risk exposure has not adversely affect the Group's operations or liquidity and is manageable.

## **SHARE OPTION SCHEME**

A share option scheme (the “**Share Option Scheme**”) was approved and conditionally adopted pursuant to the resolutions passed by the shareholders of the Company (the “**Shareholders**”) on 2 June 2021 for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the date it became unconditional and up to the date of this announcement.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, there is sufficient public float of not less than 25% of the Shares are in the hands of the public as required under the Listing Rules.

## **SUBSEQUENT EVENT**

There has been no significant event affecting the Group which occurred after 31 December 2024 and up to the date of this announcement which requires disclosure.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Group is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company’s corporate governance practices are based on the principles and code provisions as contained in the Corporate Governance Code (the “**CG Code**”) set forth in Part 2 of Appendix C1 to the Listing Rules and the Company has adopted the CG Code as its own code of corporate governance. The CG Code has been applicable to the Company during the FY2024.



Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr SU Ertian (“**Mr SU**”), the chairman of the Board and the chief executive officer of the Company, currently performs these two roles. Mr SU has been responsible for formulating overall business development strategies and leading overall operations of the Group and has been instrumental to business growth of the Group. The Board therefore considers that vesting the roles of both chairman and chief executive officer in Mr SU is beneficial to business development of the Group by ensuring consistent leadership and enabling more effective and efficient overall strategic planning. The senior management team and the Board will provide check-and-balances of power and authority.

The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole. Save for the above deviation, the Board is of the view that the Company has complied with the applicable code provisions as set forth in the CG Code for the FY2024. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set forth in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all the Directors, they have confirmed their compliance with the required standard as set forth in the Model Code during the FY2024.

## **AUDIT COMMITTEE REVIEW**

The Company has established an audit committee (the “**Audit Committee**”), comprising three independent non-executive Directors namely, Mr HUI Chi Fung, Professor HAN Gaorong and Mr LEUNG Kwai Wah Alex. Mr HUI Chi Fung is the Chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group and provide comment and advice to the Board. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the FY2024.

## **FINAL DIVIDEND**

The Company has not adopted any fixed dividend pay-out ratio. Dividends may be paid out by way of cash or by such other means as the Directors consider appropriate. Declaration and payment of any dividends would require the recommendation of the Directors and will be at their discretion. In addition, any final dividend for a financial year will be subject to the approval of the Shareholders of the Company. A decision to declare or pay any dividend in the future, and the amount of any of such dividends, depends on a number of factors, including the Group’s results of operations, financial condition, amount of capital expenditures, payment by the subsidiaries of cash dividends to the Company and such other factors as the Directors may deem relevant.

Any declaration or proposed payment of dividend or distribution by the Company is also subject to any requirements and restrictions under the Companies Act of the Cayman Islands, the Articles and any other applicable laws, rules and regulations.

The Board has decided not to declare and pay any final dividend for the FY2024 (FY2023: Nil).

## **ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS**

The Annual General Meeting will be held on Friday, 27 June 2025. The register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the entitlement to attend and vote at the Annual General Meeting, all share transfer documents accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 June 2025.

## **PUBLICATION OF ANNUAL REPORT**

The annual report of the Company for the FY2024 containing all the information required by Appendix D2 to the Listing Rules and other applicable laws and regulations will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chesir.com](http://www.chesir.com)) in due course.

By order of the Board  
**Global New Material International Holdings Limited**  
**SU Ertian**  
*Chairman and Chief Executive Officer*

Hong Kong, 31 March 2025

*As at the date of this announcement, the Board comprises Mr SU Ertian (Chairman and Chief Executive Officer), Mr JIN Zengqin, Mr ZHOU Fangchao, Mr BAI Zhihuan, Ms ZENG Zhu and Mr LIM Kwang Su as executive Directors, Mr HU Yongxiang as non-executive Director and Mr HUI Chi Fung, Professor HAN Gaorong, Mr LEUNG Kwai Wah Alex and Professor CHEN Fadong as independent non-executive Directors.*