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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 ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>Financial Highlights</b>	<b>2025</b>	<b>2024</b>	<b>Year-on-Year</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>Change</b>
			<b>%</b>
Revenue	<b>2,917,235</b>	1,648,763	76.9
Gross Profit	<b>1,140,143</b>	873,659	30.5
(Loss)/Profit for the Year	<b>(306,358)</b>	320,272	(195.7)
<b>Non-IFRS accounting standards measures <sup>1</sup></b>			
Adjusted EBITDA	<b>843,693</b>	612,570	37.7
Adjusted Net Profit	<b>254,714</b>	319,911	(20.4)
Note			
<sup>1</sup> Further information on the non-IFRS measures is set forth in the note to the paragraphs under “GROUP RESULTS AND HIGHLIGHTS - (1) Financial performance” in this announcement.			

The board (the “**Board**”) of directors (the “**Directors**”) of Global New Material International Holdings Limited (the “**Company**”, which together with its subsidiaries, collectively, the “**Group**”) wishes to announce the audited consolidated results of the Group for the year ended 31 December 2025 (“**2025**”). The following sets forth the audited consolidated results of the Group for 2025 with the comparative figures for the year ended 31 December 2024 (the “**2024**”):

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Note	<u>2025</u>	<u>2024</u>
		<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	4	<b>2,917,235</b>	1,648,763
Cost of goods sold		<b>(1,758,881)</b>	(764,105)
Sales-related tax and auxiliary charges		<b>(18,211)</b>	(10,999)
<b>Gross profit</b>		<b>1,140,143</b>	873,659
Other income, other gains and losses		<b>342</b>	2,437
Reversal of impairment losses			
on trade, bills and other receivables, net		<b>356</b>	6,607
Selling expenses		<b>(412,751)</b>	(95,534)
Administrative and other operating expenses		<b>(595,206)</b>	(262,441)
<b>Profit from operations</b>		<b>132,884</b>	524,728
Finance costs		<b>(333,384)</b>	(118,436)
<b>(Loss)/profit before tax</b>		<b>(200,500)</b>	406,292
Income tax expense	6	<b>(105,858)</b>	(86,020)
<b>(Loss)/profit for the year</b>	7	<b>(306,358)</b>	320,272
<b>Attributable to:</b>			
Owners of the Company		<b>(381,254)</b>	242,176
Non-controlling interests		<b>74,896</b>	78,096
		<b>(306,358)</b>	320,272
<b>(Loss)/earnings per share</b>	9		
– Basic (RMB)		<b>(0.31)</b>	0.19
– Diluted (RMB)		<b>(0.31)</b>	0.19

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

For the year ended 31 December 2025

	<b>2025</b>	2024
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
<b>(Loss)/profit for the year</b>	<b>(306,358)</b>	320,272
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement gains/(losses) on defined benefit pension plan, net of tax	47,377	(3,815)
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(103,553)	(48,403)
<b>Other comprehensive income for the year, net of tax</b>	<b>(56,176)</b>	(52,218)
<b>Total comprehensive income for the year</b>	<b>(362,534)</b>	268,054
<b>Attributable to:</b>		
Owners of the Company	(432,545)	220,007
Non-controlling interests	70,011	48,047
	<b>(362,534)</b>	268,054

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2025

	Note	<u>2025</u>	<u>2024</u>
		<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>4,044,521</b>	1,447,877
Right-of-use assets		<b>667,464</b>	144,324
Intangible assets		<b>661,655</b>	15,003
Prepayments for construction in progress		<b>113,332</b>	401,418
Deposits paid for acquisition of property, plant and equipment		—	70,000
Goodwill		<b>1,317,700</b>	94,160
Restricted deposits		<b>33,847</b>	2,050
Defined benefit assets, net		<b>3,053</b>	723
Deposits and other receivables		<b>56,338</b>	1,551
Escrow deposit		—	496,427
Long term time deposit		<b>50,000</b>	50,000
Deferred tax assets		<b>18,606</b>	8,367
<b>Total non-current assets</b>		<b><u>6,966,516</u></b>	<u>2,731,900</u>
<b>Current assets</b>			
Inventories		<b>2,322,651</b>	310,264
Trade and bills receivables	10	<b>1,078,297</b>	512,473
Deposits, prepayments and other receivables		<b>496,932</b>	57,420
Derivative component of convertible bonds		—	733
Tax recoverable		<b>3,042</b>	317
Restricted bank deposit		<b>184,754</b>	30,000
Bank and cash balances		<b>3,748,921</b>	3,411,401
<b>Total current assets</b>		<b><u>7,834,597</u></b>	<u>4,322,608</u>
<b>TOTAL ASSETS</b>		<b><u><u>14,801,113</u></u></b>	<u><u>7,054,508</u></u>

	Note	<u>2025</u>	<u>2024</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>3,048,026</u>	<u>3,272,796</u>
		3,151,727	3,376,497
Non-controlling interests		<u>1,321,744</u>	<u>976,628</u>
<b>Total equity</b>		<u>4,473,471</u>	<u>4,353,125</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loans and other borrowings		5,065,192	1,126,800
Convertible bond		—	333,715
Loan from a related company		68,430	—
Lease liabilities		391,959	5,103
Other payables		60,954	1,748
Deferred revenue		107,494	7,487
Defined benefit liabilities, net		312,905	—
Provisions		106,071	—
Deferred tax liabilities		<u>123,956</u>	<u>11,431</u>
<b>Total non-current liabilities</b>		<u>6,236,961</u>	<u>1,486,284</u>
<b>Current liabilities</b>			
Bank loans and other borrowings		2,423,972	602,212
Convertible bonds		412,610	349,574
Derivative component of convertible bonds		38,114	13,080
Lease liabilities		50,272	3,842
Trade payables	12	376,767	89,013
Accruals and other payables		627,908	127,885
Provisions		98,828	—
Contract liabilities		14,696	21
Deferred revenue		1,021	8,770
Current tax liabilities		<u>46,493</u>	<u>20,702</u>
<b>Total current liabilities</b>		<u>4,090,681</u>	<u>1,215,099</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>14,801,113</u>	<u>7,054,508</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, the 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.

### 2. Basis of preparation

These 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. These consolidated financial statements also comply with the applicable disclosure provisions of 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 these consolidated financial statements.

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

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

The Group has adopted all of the new or amended IFRS Accounting Standards and Interpretations issued by the IASB that are mandatory for the current reporting period. There was no material impact on the consolidated financial statements as a result of the adoption of these standards.

#### (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 interpretations, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The Group's assessment of the impact of these new or amended IFRS Accounting Standards and Interpretations, most relevant to the Group, is set out below:

	<b>Effective for accounting periods beginning on or after</b>
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
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 18 – Presentation and Disclosure in Financial Statements	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

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretations are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following.

***IFRS 18 “Presentation and Disclosure in Financial Statements”***

IFRS 18 will replace IAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

## 4. Revenue

### Disaggregation of revenue

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

	<u>2025</u>	<u>2024</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	<b>2,533,523</b>	1,528,263
Functional mica filler and related products	<b>176,066</b>	98,689
Cosmetic Actives	<b>187,430</b>	—
Others	<b>20,216</b>	21,811
	<b><u>2,917,235</u></b>	<b><u>1,648,763</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 executive directors of the Company.

The Group's principal assets and operations are widely distributed across Europe, Asia and the Americas. In accordance with industry practice and its vertically integrated management strategy, the Group has defined three reportable operating segments, namely PRC Business Operation, Korean Business Operation, and German Business Operation. Under the Group's unified strategic planning and positioning, each segment is independently managed by a separate management team and adopts distinct marketing strategies. Management monitors the Group's overall results for the purpose of making decisions on resource allocation and performance evaluation. No further relevant presentation analysis is provided.

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 right-of-use assets, property, plant and equipment, escrow deposit, tax recoverable and bank and cash balances. Segment liabilities do not include unallocated accruals and other payables, convertible bonds, derivative component of convertible bonds, borrowings, lease liabilities and current tax liabilities.

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

	<b>PRC Business Operation</b>	<b>Korea Business Operation</b>	<b>German Business Operation</b>	<b>Total</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Year ended</b>				
<b>31 December 2025</b>				
Revenue from external customers	1,640,090	285,488	991,657	2,917,235
Intersegment revenue	17,084	—	—	17,084
Total revenue of reportable segments	1,657,174	285,488	991,657	2,934,319
Segment profit/(loss)	492,674	31,892	(410,035)	114,531
Interest income				6,483
Interest expense				126,101
Depreciation and amortisation				228,523
Other material items of income and expense:				
– Cost of inventories sold				1,758,881
– Staff costs				614,740
Income tax expense				105,858
Additions to segment non-current assets	1,691,819	17,070	159,691	1,868,580
<b>As at 31 December 2025</b>				
Segment assets	7,785,897	517,951	6,477,142	14,780,990
Segment liabilities	3,307,891	130,175	4,917,249	8,355,315

	PRC Business Operation	Korea Business Operation	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Year ended 31 December 2024</b>			
Revenue from external customers	1,332,170	316,593	1,648,763
Intersegment revenue	2,012	—	2,012
Total revenue of reportable segment	1,334,182	316,593	1,650,775
Segment profit	425,535	38,362	463,897
Interest income			8,122
Interest expense			64,026
Depreciation and amortisation			86,322
Other material items of income and expense:			
– Cost of inventories sold			764,105
– Staff costs			187,827
Income tax expense			86,020
Additions to segment non-current assets	981,272	14,810	996,082
<b>As at 31 December 2024</b>			
Segment assets	5,409,519	557,957	5,967,476
Segment liabilities	1,456,012	155,793	1,611,805

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

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>		
Total revenue of reportable segments	<b>2,934,319</b>	1,650,775
Elimination of intersegment revenue	<b>(17,084)</b>	(2,012)
Consolidated revenue	<b><u>2,917,235</u></b>	<b><u>1,648,763</u></b>
<b>Profit or loss</b>		
Total profit or loss of reportable segments	<b>114,531</b>	463,897
Unallocated amounts:		
Administrative expenses	<b>(158,645)</b>	(73,787)
Depreciation and amortisation	<b>(1,529)</b>	—
Interest income	<b>9,528</b>	9,033
Interest expenses	<b>(207,283)</b>	(54,409)
Others	<b>(62,960)</b>	(24,462)
Consolidated (loss)/profit after tax	<b><u>(306,358)</u></b>	<b><u>320,272</u></b>

**Reconciliations of segment assets and liabilities:**

	<u>2025</u>	<u>2024</u>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
<b>Assets</b>		
Total assets of reportable segments	<b>14,780,990</b>	5,967,476
Unallocated assets:		
Right-of-use assets	<b>1,083</b>	2,613
Property, plant and equipment	<b>404</b>	759
Escrow deposit	<b>—</b>	496,427
Bank and cash balances	<b>13,269</b>	585,322
Restricted bank deposit	<b>4,210</b>	—
Others	<b>1,157</b>	1,911
Consolidated total assets	<b><u>14,801,113</u></b>	<b><u>7,054,508</u></b>
	<u>2025</u>	<u>2024</u>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
<b>Liabilities</b>		
Total liabilities of reportable segments	<b>8,355,315</b>	1,611,805
Unallocated liabilities:		
Convertible bond	<b>356,462</b>	333,715
Derivative component of convertible bond	<b>35,284</b>	5,900
Borrowing	<b>1,483,926</b>	740,358
Lease liabilities	<b>1,216</b>	—
Others	<b>95,439</b>	9,605
Consolidated total liabilities	<b><u>10,327,642</u></b>	<b><u>2,701,383</u></b>

### Geographical information:

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

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
The PRC	<b>1,809,932</b>	1,358,357
Asia (other than the PRC)	<b>350,107</b>	111,841
North America	<b>208,442</b>	25,088
Europe	<b>409,607</b>	—
Others	<b>139,147</b>	153,477
Consolidated total	<b><u>2,917,235</u></b>	<b><u>1,648,763</u></b>

The Group's information about its non-current assets, other than restricted deposits, defined benefit assets, net, deposits and other receivables, escrow deposit and deferred tax assets, by location of assets are detailed below:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
The PRC	<b>3,164,073</b>	1,902,746
Korea	<b>299,463</b>	316,665
Europe	<b>2,873,030</b>	—
Others	<b>468,106</b>	3,371
Consolidated total	<b><u>6,804,672</u></b>	<b><u>2,222,782</u></b>

### Revenue from major customers:

There was no customer that contributed over 10% of the Group's revenue during the years ended 31 December 2025 and 2024.

## 6. Income tax expense

	<u>2025</u>	<u>2024</u>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Current tax		
Provision for the year		
– PRC Enterprise Income Tax	<b>79,664</b>	70,038
– Other Corporate Income Tax	<b>24,129</b>	8,978
	<u><b>103,793</b></u>	<u>79,016</u>
Under-provision in prior year		
– PRC Enterprise Income Tax	<b>2,879</b>	513
– Other Corporate Income Tax	<b>—</b>	5,404
	<u><b>2,879</b></u>	<u>5,917</u>
	<u><b>106,672</b></u>	<u>84,933</u>
Deferred tax	<u><b>(814)</b></u>	<u>1,087</u>
	<u><b>105,858</b></u>	<u>86,020</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable for both years.

Tax charges 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.

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 them to a preferential tax rate of 15% (2024: 15%) during the year, subject to annual review by the relevant authority. The other subsidiaries of the Company in the PRC are subject to the PRC Enterprise Income Tax (“**EIT**”) at a rate of 25% (2024: 25%) for the year.

## 7. (Loss)/profit for the year

The Group's (loss)/profit for the year is stated after charging and crediting the following:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Auditor's remuneration		
– audit service	4,936	3,458
– non-audit service	3,160	680
Cost of inventories sold (note)	1,758,881	764,105
Allowance for inventories (included in cost of sales)	25,251	2,968
Amortisation of intangible assets	47,595	6,947
Depreciation on:		
– property, plant and equipment	149,524	76,783
– right-of-use assets	32,933	4,474
Research and development expenditures	131,994	89,540
Reversal of impairment losses on trade, bills and other receivables, net	(356)	(6,607)
Property, plant and equipment written off	<u>17</u>	<u>3</u>

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

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Staff costs	288,941	101,000
Depreciation on property, plant and equipment	84,736	39,353
Additional provisions	10,049	—
Operating lease charges	<u>1,077</u>	<u>51</u>

## 8. Dividends

The board of directors has decided not to declare and pay any final dividend for the year ended 31 December 2025 (2024: Nil).

## 9. Earnings per share

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

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Earnings</b>		
(Loss)/profit for the purpose of calculating basic earnings per share	<u>(381,254)</u>	<u>242,176</u>
	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'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>1,238,870</u>

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2025 and 2024 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>2025</u>	<u>2024</u>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Trade receivables	<b>1,078,875</b>	513,019
Bills receivables	<b>4,415</b>	4,036
Less: Allowance for doubtful debts	<b>(4,993)</b>	(4,582)
	<b><u>1,078,297</u></b>	<b><u>512,473</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>2025</u>	<u>2024</u>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
0 to 90 days	<b>795,028</b>	446,931
91 to 180 days	<b>282,664</b>	65,376
181 to 365 days	<b>605</b>	166
	<b><u>1,078,297</u></b>	<b><u>512,473</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 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>1,238,870,132</u>	<u>8,000,000</u>	<u>103,701</u>

## 12. Trade payables

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

	<u>2025</u> <i>RMB'000</i>	<u>2024</u> <i>RMB'000</i>
0 to 90 days	<b>314,772</b>	86,230
91 to 180 days	<b>60,292</b>	1,307
181 to 365 days	—	1,116
Over 365 days	<b>1,703</b>	360
	<u><b>376,767</b></u>	<u>89,013</u>

## 13. Contingent liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities (2024: RMB1,100,000).

## 14. Capital commitments

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

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	<b>789,314</b>	686,063
Intangible assets	<b>142,671</b>	—
Acquisition of worldwide global surface solutions business	—	5,187,000
	<b><u>931,985</u></b>	<b><u>5,873,063</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY DEVELOPMENT

As key transitional year for the conclusion of China's 14th Five-Year Plan and the preparation for the 15th Five-Year Plan, the year of 2025 is the year of transformation and upgrading in the manufacturing industries, with the continuous enhancement in the independent and controllable capability in the supply chains. As the cornerstone to support the high-quality development of the manufacturing industries, the new material industry, driven by the benefits of a sustainable and beneficial policy environment and steady expansion of the market demand, has maintained a strong development resilience. As an important segment of the new material industry, surface performance materials, under the combined drivers of policy support, technological innovation and increase in the downstream demand, are moving towards a new stage of high-quality development featuring high-end, green and worldwide coordinated developments, opening up an extended market space and development opportunities for the enterprises in the industry. The following will systematically analyse the industry development trends from the dimensions of industry development environment, competitive landscape, business model, core influencing factors and risk uncertainties and elaborate on the Group's response strategies and development prospects.

#### **Empowered by both policies and market demand the standard system continues to improve**

The PRC government has treated the new material industry as a strategic emerging industry, and various industrial policies and special arrangements have supported its development of high-performance functional materials. For example, the high-quality artificial crystal materials have been included in the encouraged category of the "Catalogue for the Guidance of Industrial Structure Adjustment (2024 Edition)". The synthetic mica is one of the Group's core products and a type of high-quality artificial crystal material which forms part of the above encouraged industries.

The industry standard system of the new material industry continues to improve and paves a solid foundation for the standardised development of the industry. At present, the surface performance material industry has established a standard system covering product quality, environmental protection and safety, application adaptation and other aspects. Among them, the industry standards for core products, such as synthetic mica and pearlescent materials, are formulated under the leadership of the Ministry of Industry and Information Technology of the People’s Republic of China (the “MIIT”). The Group is deeply involved in the drafting and revision of a number of core industry standards and is committed to continuously optimising and upgrading the industry level.

In terms of policy implementation, projects related to synthetic mica are eligible for multiple policy benefits including special fund support, tax incentives and R&D subsidies. As a core entity responsible for the synthetic mica project – a key basic new material under the Industrial Strong Foundation Project of the MIIT, the Group has directly benefited from such policy support. Meanwhile, the continuous tightening of environmental policies has accelerated the elimination of outdated production capacity in the industry and further raised the threshold for compliant and green development of the industry. Guangxi Chesir Pearl Technology Co., Ltd. (“Chesir Pearl”), a subsidiary of the Company, has been included in the list of “National Green Factories” by the MIIT. With its compliant and green production system, it precisely aligns with the policy directions of the PRC government.

The market demand has shown a steady expansion trend, and industry prosperity continues to rise. According to Frost & Sullivan’s industry research report commissioned by the Group, the global pearlescent material market is forming a dual-engine pattern of “stable growth in the traditional sectors and high growth in the emerging sectors”. From 2019 to 2025, the global market size grew from RMB17.16 billion to RMB30.43 billion, representing a compound annual growth rate (“CAGR”) of 10.0%. The global market size is expected to exceed RMB50.0 billion by 2030. China’s pearlescent material market has maintained a growth rate higher than the global industry average. From 2019 to 2025, the overall market size grew from RMB4.10 billion to RMB7.85 billion, representing a CAGR of 11.4%. The overall market size is expected to exceed RMB13.5 billion by 2030. From the perspective of the

development trend of the global pearlescent material market, segmented sectors maintained a rapid growth from 2019 to 2025. Among them, driven by the demand for new energy vehicles and high-end automotive coatings, the demand for pearlescent materials in the automotive sector achieved a CAGR of 33.9%, becoming the key driver of market growth. Benefiting from policy guidance and increasing demand for green building materials, environmentally friendly coatings recorded a CAGR of 26.7%, demonstrating the market potential underpinned by the dual attributes of “low carbon + high aesthetics”. Looking ahead to 2025–2030, as the base of previously high-growth sectors continues to expand, new growth engines of the global pearlescent material market will gradually extend to intelligent transportation, building-integrated photovoltaic (BIPV) and high-end cosmetics sectors, injecting new growth momentum into the industry.

### **Industry concentration is increasing, with the development of “one superpower and multiple strong players” taking place**

At present, the superpower leadership impact on the global surface performance material industry continues to become prominent, and the industrial resources are accelerating to concentrate on enterprises with global R&D and production layout, full-category product matrix and full-chain technical capabilities. The industry concentration has been steadily increasing, forming an industrial pattern where the global platform-based leading enterprises, regional leading enterprises and segmented manufacturers develop together. Relying on its multi-dimensional competitive advantages, the Group has firmly maintained a leading position in the global surface performance materials industry. The core characteristics and comparison of various types of market participants are as follows:

First, the global platform-based leaders, with profound technological accumulation and the distribution networks covering global leading markets, such as the Group. These leaders can offer a full-range product portfolio and have significant competitive advantages in high-end sectors. They enjoy distinct advantages including a strong brand recognition and customer loyalty.

Second, the regional leading enterprises, which focus on the key regional markets such as Asia Pacific. With quick and responsive local services and cost control capability, these regional enterprises occupy a certain share of the mid-to-high-end market in the region. However, they face issues such as reliance on specific markets, narrow product coverage and relatively weak competitiveness in the global market.

Third, specialised manufacturers in segmented fields, which focus on the development of substrates or specific application scenarios and compete in the market with distinctive products or cost-performance advantages. Such enterprises are relatively small in scale and act as supplements in the industrial structure.

In 2025, by strategically acquiring and integrating the Surface Solutions business of Merck KGaA, the Group not only achieved leapfrog growth in its business scale, but also made a substantial breakthrough in its global industrial footprint and position in the value chain, becoming a leader in the global Surface Solutions business and effect materials and realising leapfrog development from a regional leader to a global pacesetter. As an integrator and advocate in the global pearlescent pigment industry, the Group's leading position in the industry has been continuously strengthened through its ongoing global footprint, forming a development closed loop of "integrating industry resources, formulating global standards, expanding overseas in line with the trend, strengthening the leading position, and further integrating resources (整合行業資源,制定全球標準,順勢出海拓展,強化龍頭地位,進一步整合資源)".

As a transnational enterprise of surface performance materials with a global footprint, the Group's core business model is an integrated operation model of "technology-driven + global network + full-chain services". Taking core products such as synthetic mica, pearlescent materials and cosmetic actives as carriers and relying on the global R&D, production and delivery system, the Group provides high-end, customised and green surface performance material solutions for customers in more than 150 countries and regions around the world, realising the full industrial chain value realisation from core substrate R&D to terminal application adaptation. The core advantage of this business model is in the combination of the domestic mature industrial supply capacity and core technological advantages with the global R&D and production network, effectively breaking through international trade barriers and regional market restrictions, and achieving in-depth coverage of the global market.

In respect of the operating model, the Group has a full-process operational system of "R&D-Production-Marketing-Service". Six R&D centres have been established across Germany, China, Japan, South Korea and the United States, which are focusing on the substrate innovation and the iteration of surface functional modification technologies, with core R&D directions including upgrading synthetic mica technology, expanding new material product lines, such as cosmetics and coatings, and developing colour schemes for high-performance substrates. In 2025, R&D investment accounted for 4.52% of the revenue of the Group. For production, six global manufacturing bases form a global supply chain system.

The commencement of the production of the 100,000-tonne synthetic mica plant in Tonglu will further provide a stable supply of raw materials and enhance economies of scale. For marketing, the Group adopts a combined model of “direct sales plus distribution”. Direct sales are applied to high-end customers, such as world-leading brands, to ensure an in-depth cooperation, while distribution is adopted for regional small and medium-sized customers to expand market coverage. For services, in response to customised requirements (such as material performance parameters, appearance effects and application adaptability), the Group provides full-process services from R&D design, sample testing to bulk delivery, and relies on the global warehousing, distribution and local service system to provide fast-response delivery support, achieving high-efficiency delivery capabilities in major markets.

After years of in-depth cultivation, the Group has established four core moats:

First, *technological advantage*: it has built a full-chain technological innovation platform, mastered core technologies for synthetic mica and pearlescent materials, and participated in the drafting of a number of industry standards, establishing solid technological barriers.

Second, *customer certification and channel advantage*: through mergers and acquisitions, it has integrated global customer resources and built a global channel network, achieving efficient response and high customer loyalty.

Third, *global manufacturing and delivery advantage*: relying on six R&D centres, six manufacturing bases and six application centres across Europe, Asia and the Americas, it has formed a global supply chain system, and the 100,000-tonne synthetic mica plant in Tonglu will further secure raw material supply.

Fourth, *scale and cost advantage*: with world-leading production capacity scale, it has achieved economies of scale; through full-industry-chain integration and multi-dimensional synergy, it has reduced costs and improved efficiency, continuously consolidating its competitive strength.

## **GROUP RESULTS AND HIGHLIGHTS**

In 2025, the Group actively responded to the national strategies of “Manufacturing Powerhouse” and “High-Quality Development”, and adhered to the dual-wheel drive of “Organic Growth and Acquisitive Expansion (內源式發展與外延式擴張)”, making key progress in establishing the global footprints and the upgrading of the industrial chain. Through the successful acquisition and integration of the internationally leading surface solutions business, the Group further consolidated its leading position in the global surface performance materials sector. With the practice of a Chinese enterprise integrating world-class resources, the Group fully demonstrated the competitiveness of “Smart Manufacturing in China” to the world, and steadily advanced towards the goal of becoming a global surface performance materials platform enterprise.

### **(1) Financial performance**

In 2025, the Group recorded a total revenue of RMB2,917.2 million, representing an increase of 76.9% compared with the total revenue of RMB1,648.8 million in the corresponding period last year. In 2025, the revenue proportions of the three main business segments, namely PRC Business Operation, Korea Business Operation and Germany Business Operation, were 56.2%, 9.8% and 34.0%, respectively.

In 2025, the Group recorded cost of goods sold of RMB1,758.9 million, representing an increase of 130.2% as compared with the cost of goods sold of RMB764.1 million in 2024.

In 2025, the Group achieved gross profit of RMB1,140.1 million, representing an increase of 30.5% as compared with the gross profit of RMB873.7 million in 2024. The increase in gross profit was mainly attributable to the growth in revenue scale. The overall gross profit margin was 39.1%, representing a decrease of 13.9 percentage points as compared with the gross profit margin of 53.0% in 2024. On the one hand, it was due to the accounting impact arising from the acquisition (the fair value increment of inventories was recognised into cost of inventories in a single amount as at acquisition date, resulting in a reduction in gross profit of RMB159.1 million). On the other hand, the German Business Operation, with production bases located in high-cost countries such as Germany, the United States and Japan, had a lower gross profit margin than the Group's mature businesses in China and Korea. In 2025, the average gross profit margin of the Group's PRC Business Operation and Korea Business Operation remained stable with an increase, representing an increase of 0.2 percentage points as compared with 2024.

In 2025, the Group recorded a net loss of RMB306.4 million, representing a decrease of RMB626.7 million compared with the net profit of RMB320.3 million in 2024. Excluding the impact of one-off items such as acquisitions and fair value adjustments on assets, the adjusted net profit<sup>1</sup> was RMB254.7 million, representing a decrease of RMB65.2 million compared with RMB319.9 million in the same period of 2024.

In 2025, the Group recorded the adjusted EBITDA of RMB843.7 million, representing an increase of RMB231.1 million compared with the adjusted EBITDA of RMB612.6 million in 2024. Among them, German Business Operation acquired on 31 July 2025 contributed an incremental amount of RMB116.1 million to the Group's adjusted EBITDA during its five months of operation.

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*Note:*

<sup>1</sup> To supplement our consolidated results prepared and presented in accordance with International Financial Reporting Standards, we also use adjusted EBITDA and adjusted net profit as additional financial measures, which are not required or presented under International Financial Reporting Standards. We believe that these non-IFRS measures facilitate the comparison of operating performance across periods by eliminating the potential impact of items that our management does not consider indicative of our operating performance, such as certain non-cash or one-off items and the effect of acquisition transactions. The use of these non-IFRS measures as an analytical tool has limitations, and they should not be considered in isolation from, or as a substitute for analysis of, our operating results or financial condition as reported under International Financial Reporting Standards. In addition, the definitions of these non-IFRS measures may differ from those of similar terms used by other companies.

Adjusted EBITDA refers to the profit/(loss) for the year excluding the following items: (i) changes in fair value of financial liabilities measured at fair value through profit or loss, finance costs, and tax credit/(expense); and (ii) certain non-cash or one-off items, including one-off transaction costs and professional fees relating to acquisitions, business integration costs, fair value adjustments arising from acquisitions, amortisation of intangible assets, depreciation of property, plant and equipment, and certain impairment and reversal of provisions/(provisions).

## **(2) Business review**

In 2025, the Group continued with its established development strategy and maintained a steady operation pace. It continued to enhance its global influence in the field of surface performance materials, consolidated its leading position in the industry and achieved key strategic breakthroughs. In 2025, the Group successfully completed the strategic acquisition and relevant closing of the Surface Solutions business of Merck KGaA, marking an important step forward in global mergers and acquisitions and collaborative integration.

This strategic acquisition has enabled the Group to achieve leapfrog growth in business scale and comprehensively enhanced its technological accumulation and brand influence in the high-end materials sector. Through integrating the technical system and research and development capabilities with over 60 years of experience in serving top global customers, the Group has further improved its research and development methodology, enriched its core customer resources and deepened long-term cooperative relationships. These factors have constructed high industry entry barriers and long-term value, significantly enhanced the Group's comprehensive competitiveness in the global high-end materials sector, and laid a critical foundation for building a world-class surface performance materials platform enterprise.

In 2025, with the integration of the German Business Operation, the Group's total revenue achieved significant growth, and its business structure demonstrated a more prominent high-end characteristic; overseas market expansion accelerated and the customer base became more diversified.

Affected by factors such as increased integration costs, financing costs and relevant one-off expenses arising from the large-scale acquisition, the Group's short-term profitability indicators were under certain pressure. Although profitability was temporarily affected in 2025, such strategic investments helped the Group to consolidate the foundation of its global competitiveness and strengthen its long-term sustainable development capabilities.

The Group closely seized the opportunities arising from global industrial development. Relying on the professional capabilities and efficient collaboration of its global team, the Group successfully established a global synergistic business structure covering high-end, mid-end and low-end product markets, and built a synergistic operating system covering all market segments and radiating globally. The Group achieved all-round upgrading from technological research and development, product portfolio and manufacturing delivery to marketing network. Through a series of solid measures, the Group strengthened its core competitiveness to navigate through cycles and achieve sustainable development.

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

	<b>Year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Revenue</b>		<b>Revenue</b>	
	<b><i>RMB'000</i></b>	<b>%</b>	<b><i>RMB'000</i></b>	<b>%</b>
PRC Business Operation	<b>1,640,090</b>	<b>56.2</b>	1,332,170	80.8
Korea Business Operation	<b>285,488</b>	<b>9.8</b>	316,593	19.2
Germany Business Operation	<b>991,657</b>	<b>34.0</b>	—	—
<b>Total</b>	<b><u>2,917,235</u></b>	<b><u>100.0</u></b>	<b><u>1,648,763</u></b>	<b><u>100.0</u></b>

In 2025, the revenue of the PRC Business Operation segment amounted to RMB1,640.1 million, representing an increase of 23.1% as compared with the revenue of RMB1,332.2 million in 2024; its proportion of total revenue was 56.2%. This growth was mainly attributable to the release of production capacity for pearlescent pigment products and the optimization of the product structure, resulting from the steady ramp-up of the Phase 2 production plant in Liuzhou with an annual capacity of 30,000 tonnes of pearlescent materials, which has now entered a critical phase of ramping up production. Meanwhile, revenue from natural mica-based and synthetic mica-based pearlescent pigment products has steadily increased.

In 2025, Korea Business Operation achieved revenue of RMB285.5 million. Korea Business Operation maintained steady development with an addition of 22 product types and an increase of 5.5% in the average selling price of principal products. However, affected by the US tariff policy and short-term pressure on demand in the high-end cosmetics market in the PRC, sales volume declined. Excluding the effect of the depreciation of KRW against the Renminbi, revenue decreased slightly by 6.0% as compared with the revenue of RMB316.6 million in 2024.

On 1 August 2025, Germany Business Operation were formally consolidated into the Group, contributing revenue of RMB991.7 million, accounting for 34.0% of the Group's total revenue in 2025. Following the completion of the acquisition, the principal businesses achieved a smooth and orderly transition, the cooperative relationships with core customers remained stable, and daily production and operation as well as market operations gradually returned to normal.

In 2025, the Group recorded a net reversal of impairment losses on trade receivables, bills receivable and other receivables of RMB0.4 million, compared with RMB6.6 million in 2024. Selling expenses amounted to RMB412.8 million, representing an increase of 332.3% from RMB95.5 million in 2024, mainly due to the selling expenses of RMB289.4 million incurred by the German Business Operation consolidated into the Group's consolidated financial statements in 2025 (for a consolidation period of five months); meanwhile, selling expenses, transportation expenses, employee remuneration and marketing expenses of the PRC Business Operation and Korea Business Operation increased correspondingly along with the growth in sales volume. Administrative and other operating expenses amounted to RMB595.2 million, representing an increase of 126.8% from RMB262.4 million in 2024, mainly due to the administrative and other operating expenses incurred by the German Business Operation consolidated into the

Group's consolidated financial statements in 2025 (for a consolidation period of five months); fees for professional services engaged in connection with the acquisition; additional employee costs for the merger and acquisition team; and increased amortisation of intangible assets. Finance costs increased from RMB118.4 million in 2024 to RMB333.4 million in 2025, representing an increase of 181.5%, mainly due to increased bank loans and other borrowings, as well as increased interest expenses arising from lease liabilities and defined benefit pension plans. Income tax expense increased from RMB86.0 million in 2024 to RMB105.9 million in 2025, mainly due to the expansion of the Group's PRC Business Operation and the consolidation of the German Business Operation into the Group.

- **Deepened global market synergy with remarkable results achieved in high-end penetration**

The Group adheres to a customer value-centric approach and steadily promotes the sales expansion of medium-to-high-end products in core markets such as Europe and the United States through the optimal allocation of global resources. Benefiting from the expansion of the global sales network, in 2025, the Group's sales in Europe increased by 555.0% year-on-year, sales in North America increased by 1,047.5% year-on-year, and sales in Asia (excluding the PRC), Africa and South America all more than doubled.

The table below sets forth sales revenue by geographical region:

	<b>Year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
The PRC	<b>1,809,932</b>	<b>62.1</b>	1,363,588	82.7
Asia (other than the PRC)	<b>350,107</b>	<b>12.0</b>	169,225	10.3
Europe	<b>409,607</b>	<b>14.0</b>	62,534	3.8
North America	<b>208,442</b>	<b>7.1</b>	18,165	1.1
South America	<b>92,092</b>	<b>3.2</b>	25,224	1.5
Africa	<b>43,141</b>	<b>1.5</b>	10,027	0.6
Others	<b>3,914</b>	<b>0.1</b>	—	—
<b>Total</b>	<b><u>2,917,235</u></b>	<b><u>100.0</u></b>	<b><u>1,648,763</u></b>	<b><u>100.0</u></b>

The Group's customers are mainly trading company customers and end customers. The former resells products to customers with no direct contractual relationship with the Group. End customers refer to customers who use pearlescent pigment products for their own use and production purposes. In 2025, the Group's sales to trading company customers amounted to RMB1,748.5 million, representing a year-on-year increase of 27.1%; sales to global end customers amounted to RMB1,168.8 million, representing a substantial year-on-year increase of 328.6%, accounting for 40.1% of total sales, representing an increase of 23.6 percentage points compared with 16.5% in 2024.

The table below sets forth sales revenue by end-user customers and product category:

	<b>Year ended 31 December</b>			
	<b>2025</b>		<b>2024</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>1,586,605</b>	<b>54.4</b>	1,273,209	77.2
– Functional mica filler	<b>91,444</b>	<b>3.1</b>	83,854	5.1
– Cosmetic active ingredients	<b>55,241</b>	<b>1.9</b>	—	—
– Others	<b>15,174</b>	<b>0.5</b>	19,029	1.2
	<b><u>1,748,464</u></b>	<b><u>59.9</u></b>	<u>1,376,092</u>	<u>83.5</u>
<b>End-user customers</b>				
– Pearlescent pigment products	<b>946,918</b>	<b>32.5</b>	255,016	15.5
– Functional mica filler	<b>84,622</b>	<b>2.9</b>	8,928	0.5
– Cosmetic active ingredients	<b>132,189</b>	<b>4.5</b>	—	—
– Others	<b>5,042</b>	<b>0.2</b>	8,727	0.5
	<b><u>1,168,771</u></b>	<b><u>40.1</u></b>	<u>272,671</u>	<u>16.5</u>
<b>Total</b>	<b><u><u>2,917,235</u></u></b>	<b><u><u>100.0</u></u></b>	<u><u>1,648,763</u></u>	<u><u>100.0</u></u>

The Group has successfully entered the supply chain systems of the world's top luxury automobile brands and become a core supplier of leading international cosmetics groups. Such high-end collaborations are characterised by high certification barriers and strong customer loyalty, which not only help enhance the profitability and stability of the Group's revenue but also enable the Group to obtain brand premium and industry influence in the global high-end market. Currently, the Group has established an integrated "R&D-Manufacturing-Marketing" synergistic network covering more than 150 countries and regions globally. Relying on the customers in Europe, Asia (including the PRC) and the Americas as well as local operation teams, the Group has achieved rapid coverage and agile response to major global markets, precisely addressing the demands of regional customers, while maintaining industry-leading customer retention rate and repurchase rate.

The Group's global sales team is promoting joint solutions to key customers focusing on key industries including industrial coatings, new energy vehicles and cosmetics. The first batch of synergy orders has been implemented in various regions, and sample delivery and certification on a global basis are also underway. Meanwhile, the Group has successfully introduced global specialty materials technologies into the PRC market to support the products of a number of mainstream domestic automobile manufacturers and leading new energy vehicle enterprises, and provides innovative material solutions for the world's leading BIPV manufacturers.

- **Innovation-driven structure optimisation and diversified cultivation of growth engines**

The Group has continued to advance its product iteration, innovation and high-end strategy, with the sales proportion of high-end products such as automotive coating applications and cosmetic products continuing to increase. As of the end of 2025, the Group provided a total of 5,056 products, with 2,884 new additions during the year, representing a continuous enrichment of product lines.

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

	<b>Year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
Pearlescent pigment products	<b>2,533,523</b>	<b>86.9</b>	1,528,263	92.7
Functional mica filler <sup>(1)</sup>	<b>176,066</b>	<b>6.0</b>	92,782	5.6
Cosmetic active ingredients	<b>187,430</b>	<b>6.4</b>	—	—
Others	<b>20,216</b>	<b>0.7</b>	27,718	1.7
<b>Total</b>	<b><u>2,917,235</u></b>	<b><u>100.0</u></b>	<b><u>1,648,763</u></b>	<b><u>100.0</u></b>

*Note:*

- (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.

The pearlescent pigment business is the foundation for the Group's steady development. In 2025, revenue from pearlescent pigment products amounted to RMB2,533.5 million, accounting for 86.9% of the total revenue, representing an increase of RMB1,005.3 million compared with the revenue of RMB1,528.3 million in 2024, with a growth rate of 65.8%. The increase in revenue from sales of pearlescent pigment products was mainly attributable to the growth in sales volume of pearlescent pigment products of the PRC Business Operation and the increase in average selling price of the Korea Business Operation, as well as the consolidation of the five-month revenue of the German Business Operation into the Group's accounts in 2025.

In 2025, the Group's mica functional fillers recorded revenue of RMB176.1 million, accounting for 6.0% of total sales, representing an increase of RMB83.3 million compared with the sales amount of RMB92.8 million in 2024, representing a growth of 89.8%. Such an increase was attributable to the rising demand for synthetic mica-based pearlescent pigment products as well as the increased production volume of synthetic mica-based pearlescent pigment products owing to technological improvements and the commercial operation of newly added equipment.

In 2025, the Group's cosmetic active ingredients products recorded revenue of RMB187.4 million, accounting for 6.4% of total revenue, representing a new business added during the year.

Leveraging the independently controlled global R&D system, the Group has successfully launched a number of innovative products and technologies tailored to market demands. In 2025, the Group successfully launched the next-generation RonaFlair® White Sapphire NXT high-performance white sapphire material, laser marking material Iriotec® 8214, and innovative color solutions for specific markets such as "Snow Leopard White". The Group has made a breakthrough in the field of weather-resistant pigments dedicated to BIPV, achieving key advancements in the long-standing industry challenge of coloring technology optimisation.

The Group's innovation capabilities have been repeatedly recognised. During the year, the project "Innovation and Application of Synthetic Mica-based Pearlescent Pigment Preparation Technology" was awarded the Science and Technology Progress Award by the China Petroleum and Chemical Industry Federation. The cutting-edge R&D projects participated by the Group (such as the smart material technology that perceives equipment abnormalities through colour changes) were rated "Excellent", and reached the practical application level, marking phased progress in the field of smart materials and sensing applications and laying a foundation for future growth.

Leveraging the advantages of its proprietary technology platform, the Group continues to expand the boundaries of its product portfolio and actively explore diverse application areas, expanding future growth space and fostering a second growth curve through the deployment of high value-added and high-growth potential products.

In the field of personal care active ingredients and functional materials, the Group has strong innovation capabilities and market competitiveness, and its core ingredients hold leading market shares and customer recognition in key efficacy segments including moisturising, whitening, sun protection and anti-aging, with flagship brands such as IR3535®, the gold standard for insect repellents, the potent antioxidant RonaCare® and the advanced UV filter Eusolex®; in the field of high-end effect pigments, relying on core patent protection and scale commercial production capacity, the Group's flake alumina technology platform constitutes the core professional barrier for the Xirallic® pigment series, establishing a sustainable competitive advantage in high value-added markets such as automotive and industrial coatings. These layouts unlock significant long-term growth space for the Group. With acute market insight, stable product quality control capabilities and resource integration capabilities, the Group actively seizes growth opportunities in emerging markets and segments. In the new energy vehicle sector, the Group not only provides customised coating solutions for a number of renowned automakers but also collaborates in the research and development of next-generation smart color-changing vehicle coating technologies, leading industry trends; in the green building sector, the eco-friendly pigments and functional materials launched by the Group have contributed to the dual enhancement of aesthetics and energy efficiency in BIPV projects, winning wide market acclaim. Through these forward-looking layouts and sustained innovation, the Group is gradually building a diversified and high value-added business ecosystem, laying a solid foundation for its sustainable growth in the future.

- **Smart chain global presence enhances resilience, with focus on the volume and the quality to consolidate advantages**

The Group has established six manufacturing bases, six R&D centers and six application centers across Europe, Asia and the Americas, forming a complementary global production network featuring “high-end customisation, special applications and scale manufacturing” to meet the global customers’ demands ranging from personalised solutions to scale supply. Each base has a clear positioning: the existing production facilities in Germany, the United States and Japan focus on serving the top global brand customers for functional coatings and cosmetic raw materials; the specialty materials produced in Korea specialise in the flexible production and cutting-edge color technologies; the high-efficiency production base in the PRC serves as the scale manufacturing hub, with the production of synthetic mica to ensure a constant supply of core substrates and strengthens cost advantages. Such a network helps improve cross-regional delivery efficiency and supply resilience, and can effectively respond to challenges arising from the complex international environment.

In 2025, through the global production capacity layout and in-depth integration of the entire industrial chain, the Group has continuously promoted the intelligent and automated transformation of the industrial chain, forming a certain scale economy effect. In 2025, the Group deployed a vertical AI application system for materials based on mainstream artificial intelligence large model technologies, established a global supply chain management system, and realised visualised management and control of the entire process from raw material procurement, production and manufacturing to logistics and distribution; the Group held an AI Application Competition and achieved phased results such as the transformation of organisational AI cognition, facilitating the digital transformation process.

In terms of production capacity upgrading, in 2025, the second-phase plant of Liuzhou with an annual output of 30,000 tonnes of pearlescent materials has been put into steady operation and entered the crucial stage of capacity ramp-up; the main construction of the Hangzhou Tonglu Asia Pacific Headquarters and the project with an annual output of 100,000 tonnes of surface performance materials has been completed, production equipment has been successively installed and commissioned, and the project was successfully commissioned and put into operation in February 2026. The commissioning of these production capacities will further enhance the Group's independent supply capacity of high-end synthetic mica, effectively expand the supply capacity of the Group's overall product portfolio and strengthen the delivery capacity of the vertical industrial chain.

The Group ranks among the global leaders in both pearlescent material and synthetic mica production capacities, effectively diluting unit costs in raw material procurement, production and manufacturing, logistics and distribution and other links through scale production, and enhancing product profitability and market competitiveness. Meanwhile, the Group has established a collaborative cost control mechanism covering the entire business chain: mastering the core technology of synthetic mica to achieve independent control and cost optimisation of raw materials; promoting the collaborative operation of global businesses to reduce comprehensive operating costs; strengthening the linkage between R&D and production to achieve the dual goals of green compliance and cost management and control, and continuously consolidating core competitive advantages.

- **Renewed corporate governance system to consolidate the foundation for global operations**

Taking the completion of major international mergers and acquisitions as an opportunity, the Group has optimised the three-level governance structure of “Group-Business Division-Region” in accordance with the principle of “Global Coordination, Local Deep Cultivation”, clarified the boundaries of rights and responsibilities, and established an efficient and normalised cross-regional collaboration and decision-making mechanism to facilitate strategy implementation and execution closed-loop.

In terms of talent and cultural integration, the Group has steadily retained the core teams of the acquired businesses, implemented a global talent management system integrating performance appraisal and long-term incentives, respected regional cultural differences and promoted the in-depth integration of the Group's core values. In 2025, through the establishment and implementation of the global governance system, the Group has steadily advanced the organisational and operational integration of various businesses, achieved a smooth transition of customers and business, and injected strong organisational momentum into long-term sustainable development.

### **(3) R&D and innovation**

Research and development and innovation are the underpinnings for the Group to build long-term core competitiveness and consolidate its leading position in the global industry, as well as the core engine driving the Group's strategic transformation into a "world-leading surface performance materials platform enterprise".

In 2025, the Group firmly implemented the three-in-one R&D strategy of "University Collaboration, Independent R&D and Global Integration", systematically promoted technological innovation, product upgrading and application expansion around key business areas such as synthetic mica, high-end flake alumina, pearlescent materials, active ingredients and industrial functional materials, ensuring that R&D achievements closely align with market demand and laying a solid technical foundation for the Group's sustainable development.

In terms of R&D system construction, the Group has further improved the whole-chain innovation system of "substrate R&D-surface functional modification-terminal formulation adaptation". Relying on the global R&D network covering China, Germany, Korea, Japan and the United States, the Group has deeply integrated global R&D resources and capabilities, realised cross-regional collaboration and efficient sharing of technologies, talents and achievements, formed an integrated innovation model of "global R&D, regional transformation", and significantly improved R&D efficiency and industrialisation implementation speed.

In terms of R&D investment, the Group has continuously strengthened resource support to ensure the stability and sustainability of investment. Following the inclusion of the German Business Operation in the consolidation scope, the scale of the Group's R&D investment has further expanded, with R&D expenditure increasing by 47.4% year-on-year in 2025, providing a solid guarantee for technological innovation. As of the end of 2025, the Group's technological moat has been continuously broadened and its platform advantages have been continuously consolidated.

In terms of supply chain and manufacturing collaboration, the Group has established a diversified and resilient supply chain system based on its global layout, realising full-process visual management and control, continuously promoting the independent control of key raw materials such as synthetic mica, and providing stable and efficient material support for R&D. Relying on the six manufacturing bases, six R&D centers and six application centers located in Europe, Asia and the Americas, the Group promotes close linkage between R&D and production, facilitates rapid alignment of technical requirements and process standards, forms a closed loop of "R&D-production-feedback-optimisation", and accelerates achievement transformation and capacity improvement.

In terms of quality and compliance management and control, the Group has always adhered to its mission of "Creating Beautiful Colours for the World through Dedication of Premium Quality Products", established a strict quality management system covering the entire process of R&D, procurement, production, testing and delivery, and ensured that product performance is stable and reliable and complies with global market standards. As of the end of 2025, the total number of the Group's products reached 5,056, forming a full product portfolio with multiple substrates and full scenarios, which can meet the personalised needs of customers in various industries. The Group has deeply integrated the concept of compliance into the entire R&D process, achieving integrated high-quality development of "R&D-manufacturing-compliance".

In terms of the focus of global R&D layout, in line with the development trends of high-end, green and globalised surface performance materials industry, the Group focuses on three core directions to achieve key breakthroughs:

1. Upgrade the core technology of synthetic mica, continuously optimise production processes, enhance core product performance and expand production capacity, with a focus on expanding its application scenarios in high-value-added sectors including high-end cosmetics, environmental coatings and new energy;
2. Promote the high-end development and multi-scenario application of pearlescent materials, develop high-value-added products with high weather resistance and high gloss, and concurrently expand into the BIPV coloured photovoltaic module sector to drive integrated innovation of “materials + construction + energy”; and
3. Optimise global collaborative manufacturing technologies, enhance the level of intelligent and automated production, facilitate cost reduction and efficiency enhancement, and consolidate the industry-leading position.

In terms of commercialisation, the Group has established a diversified transformation pathway featuring “technology empowerment, product support, channel penetration and ecological collaboration”, continuously translating R&D and innovation advantages into market advantages and operating benefits, driving the sustained improvement of global market share and brand influence, and achieving the two-way empowerment of innovation value and commercial value.

#### **(4) Risks and responses**

In the course of continuing operations, the Group is exposed to multi-dimensional risks and challenges arising from the operational level, the macro-environment and cross-border businesses, which may have an impact on production and operations, financial position and future development.

The Group's businesses are global in scope, and cross-border and cross-cultural business integration involves core segments including sales, research and development and supply chains. Any underperformance in the coordinated advancement of such segments may affect the pace of achievement of the Group's profit targets. The Group's core products are applied in industries including new energy vehicles, high-end cosmetics and green building materials, and the growth momentum of downstream industries directly affects the market demand scale of surface performance materials. A slowdown in growth or cyclical adjustment in downstream industries may exert certain constraints on the market demand for the Group's products, thereby adversely affecting the Group's operating results. Furthermore, the prices of key raw materials for the production of synthetic mica are affected by multiple factors including market supply and demand, international situations and regulatory policies, and are subject to uncertainties of fluctuations. Any changes in such prices will be directly passed on to production costs, affecting the stability of the Group's profitability.

The Group's sales to customers in more than 150 countries and regions globally with a high proportion of overseas revenue, and its daily operations involve multi-currency settlements. Exchange rate fluctuations, influenced by factors such as the global economic situation, geopolitics and adjustments to monetary policies of various countries, may give rise to exchange gains or losses upon the translation of the Group's foreign currency assets, liabilities and earnings into the reporting currency, thereby affecting the stability of the Group's financial results. Meanwhile, there are significant differences among countries and regions in laws and regulations, industry standards, environmental requirements and data security, with relevant policies subject to ongoing dynamic adjustments. Failure by the Group to promptly adapt to the regulatory requirements of various jurisdictions, or any compliance oversights in cross-border fund flows, intellectual property protection and product certification, may expose the Group to risks including administrative penalties, litigation or arbitration, hindering its global business layout. The current international economic and trade environment is complex and volatile, with a resurgence of trade protectionism. Some countries and regions may impose restrictions on cross-border trade through measures such as tariff hikes, the establishment of technical barriers or the implementation of export controls. In the event that major overseas markets are embroiled in trade frictions, the Group may face increased export costs and prolonged customs clearance procedures, affecting its overseas business expansion and profitability. Furthermore, global economic growth is subject to cyclical fluctuations. Downward pressures such as economic recession, high inflation or weak consumer demand will directly lead to reduced investment and shrinking market demand in downstream industries, and may trigger a chain reaction including supply chain disruptions and increased financing costs.

In response to the above risks and challenges, the Group will adhere to the principle of “proactive prevention and control, systematic response and long-term management”, and focus on establishing a comprehensive risk prevention, control and capability enhancement system featuring “technology leadership, supply chain collaboration, in-depth customer engagement, compliance support and macro adaptation”, so as to continuously consolidate its core competitiveness in global operations.

In respect of technology, the Group will continue to advance research and development innovation, improve the establishment of a full-chain technological innovation platform, and establish a long-term incentive and retention mechanism for core technical personnel, accelerate the iteration of substrate innovation and surface functional modification technologies, and effectively hedge against the risk of demand fluctuations in downstream industries through differentiated product competition. In respect of supply chain, the Group will coordinate the optimisation and efficient release of production capacity at research and development and production bases in various regions, establish a global resilient supply chain system, and strengthen supply chain stability through digital management and control, multi-regional supplier layout and strategic inventory reserves; meanwhile, the Group will establish a real-time monitoring and early warning mechanism for raw material prices, and flexibly adopt tools such as long-term agreements and hedging to ensure global delivery efficiency and rapid market response capability.

In respect of markets and customers, the Group will take the initiative to advance service procedures, efficiently promote customer certification, continuously optimise the channel network covering more than 150 countries and regions, upgrade the global customer service system, and actively diversify customer portfolio and product application scenarios, so as to reduce reliance on a single industry and a single market and enhance the quality of market expansion and risk resistance capacity. In respect of compliance management, the Group will set up a professional compliance management team, establish a dynamic tracking mechanism for global compliance policies, keep abreast of changes in compliance requirements relating to environmental protection, product safety, data security and cross-border trade in various regions in real time, establish a rapid response mechanism for policy adaptation, and strengthen full-process compliance review of cross-border businesses, so as to ensure that products fully meet the market access standards of various regions and effectively prevent cross-border compliance risks.

In response to exchange rate and macroeconomic risks, the Group will establish a regular exchange rate monitoring and analysis mechanism, and flexibly adopt financial instruments such as foreign exchange hedging and multi-currency settlement optimization to reasonably hedge against exchange risks; meanwhile, the Group will strengthen dynamic analysis of global markets, optimize overseas market layout, expand diversified export channels, and fully tap the potential of the domestic demand market so as to reduce reliance on a single market. Through measures including lean operation, cost control and cash flow management, the Group will continuously enhance its overall anti-cyclical capability.

The Group will continue to monitor the evolution of various risks, dynamically optimize risk prevention and control measures, continuously enhance risk management capabilities and safeguard the sustainable, healthy and stable development of the Company.

#### **(5) Green and low-carbon development and social responsibility**

The Group has always adhered to the core mission of “Create Beautiful Colours for the World through Dedication of Premium Quality Products”, deeply integrated green and low-carbon development and social responsibility performance into its development strategy, upheld the philosophy of “Green Manufacturing and Ecological Enterprise Establishment (綠色製造、生態立企)” and the core values of “Integrity, Innovation, Leadership and Harmony”, built core competitiveness through scientific and technological innovation, and committed to fostering a sustainable development ecosystem for the high-performance surface performance materials industry. In 2025, the Group achieved a series of substantive progress in green and low-carbon practices, with simultaneous emergence of green benefits and commercial value.

In 2025, the Group empowered industrial upgrading through technology, promoting the dual enhancement of green benefits and economic benefits. The 5.9MWp rooftop distributed photovoltaic project of the Guangxi Phase I Factory was successfully connected to the grid for power generation. Adopting the innovative model of BIPV plus “self-consumption of generated power with surplus power connected to the grid (自發自用、餘電上網)”, the project has not only become a benchmark for green manufacturing, but also effectively reduced production and operation costs: it is expected to save 1,550 tonnes of standard coal and reduce carbon dioxide emissions by over 5,120 tonnes per annum, aligning with the global low-carbon policy trend; its average annual power generation can reach 6 million kWh, directly bringing millions of RMB in annual electricity cost savings. The new R&D building in Korea was inaugurated simultaneously, featuring coloured BIPV photovoltaic panels as its core characteristic, achieving the deep integration of green energy, intelligent manufacturing and cutting-edge R&D functions. It not only represents the tangible implementation of the “Materials + Innovation + Full-scenario” global high-end materials strategy, but also demonstrates the application potential of green materials to global customers through architectural demonstration effects, laying a tangible case foundation for market expansion.

Industry collaboration is pivotal to enhancing green value. The Group has strengthened cooperation with industry leaders including LONGi Green Energy Technology Co., Ltd. (隆基綠能科技股份有限公司) and CENTER International Group Co., Ltd. (森特士興集團股份有限公司), facilitating the integrated development of “materials, manufacturing, scenarios and ecology”. Through collaborative innovation, the dedicated pearlescent pigment solution has been successfully applied to new energy building scenarios such as BIPV, which not only breaks through the constraints of conventional materials and expands the application scope of green materials, but also provides vital support for creating a new profit growth curve by leveraging the channel resources and market influence of its partners.

The Group's sustainable development practices have been widely recognised by authoritative institutions at home and abroad. In 2025, the Group was awarded the "Best Practice Award for Technological Innovation" at the 2nd Sino-European Corporate ESG Best Practice Conference; and won the title of "Listed Company with Outstanding ESG Investment Value" at the Hong Kong Global ESG Investment Annual Conference and Annual Outstanding ESG Value List, while Chairman Su Ertian was honoured as "Business Leader with Outstanding ESG Influence". The Group will continue to optimise its ESG management system and fully integrate the ESG philosophy into all aspects of the Group's operations, adhering to stringent environmental and social responsibility standards from raw material procurement, production and manufacturing to product sales and after-sales services.

In 2025, a number of certifications and awards of the Group's subsidiaries directly empowered business expansion and profitability improvement. It was successfully awarded the EcoVadis Gold Certification for sustainable development in Korea. As a globally recognised assessment standard for corporate social responsibility, such certification serves as a "green passport" to access high-end international supply chains, and will continuously support the Group in maintaining a competitive edge in cross-border cooperation. The "Intelligentisation of Pearlescent Pigment Production Process" project was recognised as a "Korea K-Smart Lighthouse Factory", marking the comprehensive upgrade of the Group's global green and intelligent manufacturing capabilities, with simultaneous improvement in production efficiency and product quality stability, enhancing local competitiveness in the Korean and Southeast Asian markets. The "2025 High-Quality Supplier of Coating Raw Materials Award" and the "Science and Technology Progress Award" granted by the China Petroleum and Chemical Industry Federation (for the project "Innovation and Application of Synthetic Mica-based Pearlescent Pigment Preparation Technology") attest to the Group's technological innovation strength and product quality, providing important endorsement for the development of the high-end coating market and helping enhance product premium capacity and market share. The German factory successfully passed the annual Halal and Kosher certification audits, which not only demonstrates the stringent requirements for product quality and safety, but also meets the cultural and religious demands of customers in different regions across the globe, removes market access barriers, and lays a foundation for the expansion of segment markets in the Middle East, Europe, the United States and other regions.

Meanwhile, the Group actively engages in social welfare undertakings and fulfils its corporate social responsibility through concrete actions. In 2025, the Group and its subsidiaries initiated and participated in a number of environmental public welfare activities, including community service activities, Tree Planting Day events, plogging and environmental cleanup activities, committing to improving the quality of the ecological environment and public awareness of sustainable development, and contributing to the promotion of social sustainable development. Subsequent to the fire outbreak in Tai Po, Hong Kong, the Group donated a charitable sum of HK\$1,000,000 to the Tai Po Wang Fuk Court Relief Fund to assist the affected residents in overcoming difficulties, fulfilling the Group's public welfare responsibility in the residential communities. The Group was also conferred the title of "Community Charity Partner" by the Charity Association of Luohu District, Shenzhen, Guangdong Province, which not only recognises its public welfare initiatives but also strengthens its brand identity and credibility in the local community, fostering a favourable social environment for the development of regional businesses.

From the implementation and application of green technologies to the collaborative construction of the industrial ecosystem; from achieving commercial empowerment through authoritative certifications to actively fulfilling social responsibilities, the Group has comprehensively proven with solid actions and tangible results that green and low-carbon development and social responsibility are not cost burdens for enterprises, but one of the core competencies for sustainable corporate growth. Going forward, the Group will continue to deepen green innovation and strengthen its responsibility commitment, establish a sustainable development benchmark for the industry while creating commercial value, and achieve a win-win situation among the enterprise, society and the environment.

## **BUSINESS OUTLOOK AND FUTURE STRATEGY**

### **I. Group's strategic objectives, positioning and core advantages**

The future-oriented development strategy of the Group is built upon the clear positioning and verifiable advantages that the Group has established.

Following years of sustained development and strategic acquisitions in recent periods, the Group has gradually evolved from a single pearlescent pigment supplier into a surface performance materials platform enterprise with a global R&D system, multi-regional manufacturing footprint and a high-end customer base. Currently, the Group has established a prominent global leading position in the pearlescent materials sector, and built high market penetration and customer loyalty in a number of key markets and application areas.

On this basis, the Group's core strategic objective is to, while consolidating its existing leading advantages, continuously expand its established capabilities through parallel "organic growth and acquisitive expansion", and gradually build a high-performance surface materials and advanced functional materials platform covering a wider range of application scenarios, so as to achieve the coordinated improvement of scale, quality and efficiency.

In terms of strategic philosophy, the Group adheres to material science as the foundation and application value as the orientation, and adopts prudent operation and long-termism as the underlying principles for all strategic decisions. Meanwhile, the Group also clearly recognises that uncertainties remain in the global macro environment and industry cycles, and the aforementioned advantages need to be continuously consolidated and strengthened through sustained investment, prudent management and steady implementation.

## II. Strategic priorities and phased implementation paths

### ***(I) Short-term Strategic Priorities (1–2 years): Integration realisation and capability consolidation***

In the coming one to two years, the Group will principally focus on converting its existing advantages into more stable and sustainable operating results.

#### *1. Drive the sustained realisation of M&A integration results*

Upon completion of the acquisitions of the Surface Solutions business of Merck KGaA and CQV, the Group has substantially established a unified governance structure and management system. In the short term, the Group will further deepen integration in respect of R&D collaboration, customer cooperation and global manufacturing layout, promote the sharing of technology platforms and optimisation of product portfolio, enabling the technological accumulation and high-end customer resources of the acquired targets to form closer and replicable synergies with the Group's engineering capabilities and cost advantages.

#### *2. Optimise product and revenue structure based on the high-end customer base*

The Group currently serves a number of leading global industrial and consumer goods enterprises, which have high certification thresholds and strong cooperation stickiness. In the coming one to two years, the Group will continuously increase the proportion of high-value-added products, deepen long-term cooperative relationships with core customers through means such as joint development and customised solutions, and further improve the profit structure and income stability.

#### *3. Leverage the advantages of global manufacturing layout to enhance operational resilience*

The Group has formed a multi-regional production network covering China, Germany, the United States, Korea and Japan, which has distinctive advantages in enhancing delivery reliability, addressing regional uncertainties and serving multinational customers. In the short term, the Group will focus on improving capacity synergy efficiency and supply chain responsiveness, and further unlock the economies of scale and operational synergy potential.

#### *4. Strengthen cash generation capability and capital discipline*

Leveraging its relatively mature business model and stable customer base, the Group has established a solid operating cash flow foundation. In the short term, the Group will continue to adhere to a prudent capital allocation strategy, prioritise improving the efficiency of existing assets, ensure the financial structure remains stable following mergers and acquisitions, and continuously enhance capital return levels to accumulate sufficient financial flexibility for medium-to-long-term development.

### ***(II) Medium-term Strategic Priorities (3–5 years): Platform expansion and capability leapfrogging***

In the coming three to five years, the Group will, based on its existing capability system, promote the orderly expansion of business boundaries and value space.

#### *1. Expand applications of advanced functional materials based on core material capabilities*

The Group has established a solid foundation in material design, process engineering and application development. In the medium term, the Group will gradually expand into more application fields with long-term growth potential focusing on the directions of high performance, functionalisation and sustainability, and continuously enhance technological depth and product value-added.

#### *2. Prudently promote acquisitive expansion to supplement key capability modules*

Building on endogenous development, the Group will selectively pursue outward expansion, with a focus on high-quality targets that can complement its technology platform, shorten research and development cycles or enhance customer and channel capabilities. All merger and acquisition as well as investment decisions will be strictly aligned with strategic synergy and long-term returns, and shall avoid scale expansion as the sole purpose.

3. *Build a global integrated R&D and innovation system*

Leveraging its existing cross-regional research and development resources, the Group will further promote the integrated operation of the research and development system, strengthen the linkage between basic research, application development and customer collaboration, enhance innovation efficiency and accelerate the commercialisation of technological achievements.

4. *Amplify the long-term advantages brought by scale and synergy, and consolidate the foundation of organisation and governance*

Upon the expansion of business scale and enhancement of platform capabilities, the Group's synergies across procurement, manufacturing, research and development and management will continue to accumulate, thereby boosting its overall cost competitiveness and capital return level and forging a long-term moat that strengthens over time. To underpin the sustained unlocking of such synergies, the Group will concurrently strengthen its global organisational capabilities and governance system, improve cross-cultural collaboration efficiency, and ensure the coordinated development of its global businesses under a unified strategic framework.

While advancing business and capability expansion, the Group will continue to embed compliance, environmental responsibility and sustainable development requirements into its strategic decision-making and daily operations, ensuring that long-term growth is built on a sound and sustainable foundation.

Looking ahead, the Group will continue to adhere to long-termism and prudent operations, steadily advance capability expansion and platform upgrading on the basis of existing strengths, strive to achieve sustainable growth, and create long-term value for shareholders, customers, employees and society.

## **OTHER INFORMATION**

### **USE OF THE NET PROCEEDS**

#### **Use of the net proceeds from the Global Offering**

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. On 31 March 2025, the Board resolved to change the use of the unutilised proceeds in the aggregate amount of HK\$330.8 million to finance the acquisition of the global surface solutions business of Merck KGaA. All the net proceeds from the Global Offering have been fully utilised in 2025.

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 2025:

Prescribed usage	Original allocation of the net proceeds from the Global Offering <i>HK\$' million</i>	Revised allocation of the net proceeds from the Global Offering <i>HK\$' million</i>	Percentage to the total net proceeds <i>%</i>	Remaining balance as of 31 December 2024 <i>HK\$' million</i>	Amount utilised up to 31 December 2025 <i>HK\$' million</i>	Remaining balance as of 31 December 2025 <i>HK\$' million</i>	Expected timeline for the intended use
Construction of the Phase 2 Production Plant.....	539.5	539.5	55.6	—	—	—	Utilised
Construction of the Luzhai Synthetic Mica Plant.....	330.8	—	—	—	—	—	N/A
Increase investment in research and development facilities and testing equipment of the research and development centre .....	68.9	68.9	7.1	—	—	—	Utilised
Sales and marketing activities and building sales network.....	31.0	31.0	3.2	—	—	—	Utilised
Financing the acquisition of the global surface solutions business of Merck KGaA.....	—	330.8	34.1	330.8	330.8	—	Utilised
<b>Total</b>	<b>970.2</b>	<b>970.2</b>	<b>100.0</b>	<b>330.8</b>	<b>330.8</b>	<b>—</b>	

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 and appropriate.

## **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 “**2022 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 CNH500.0 million, comprising the Tranche A Convertible Bond in the principal amount of CNH300.0 million and the Tranche B Convertible Bond in the principal amount of not more than CNH200.0 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 2022 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 Bond in the principal amount of CNH300.0 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 CNH300.0 million. Further details of which are disclosed in the announcement of the Company dated 30 December 2022.

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.

The net proceeds from the issue of the Tranche A Convertible Bond have been fully utilised in 2025.

The table below sets forth the intended use of the net proceeds from issue of the Tranche A Convertible Bond and the actual utilisation amount for 2025:

Prescribed usage	Allocation of the net proceeds from the issue of the Tranche A Convertible Bond		Remaining balance as of 31 December 2024	Amount utilised up to 31 December 2025	Remaining balance as of 31 December 2025	Expected timeline for the intended use
	Percentage to the total net proceeds		CNH' million	CNH' million	CNH' million	
Investment opportunities within the pearlescent pigments and synthetic mica industry .....	300.0	100.0	300.0	300.0	—	Utilised

**FINAL DIVIDEND AND DIVIDEND POLICY**

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 (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 Law 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 2025 (2024: Nil).

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Liquidity and indebtedness**

The Group's business operations are generally financed by its internal financial resources and bank borrowings.

As of 31 December 2025 and 2024, the bank and cash balances amounted to RMB3,748.9 million and RMB3,411.4 million, respectively. These balances were maintained at a prudent level for the purpose of satisfying the requirements for daily business operations of the Group and the Tonglu Project. The increase in the bank and cash balances as of 31 December 2025 was mainly due to cash generated from operating activities and the increase in bank loans and other borrowings.

As of 31 December 2025 and 2024, the bank loans and other borrowings amounted to RMB7,489.2 million and RMB1,729.0 million, respectively. The increase in the borrowings was mainly attributable to the increase in new bank loans and other borrowings of RMB8,226.9 million, offset by the repayment of bank loans and other borrowings of RMB2,492.8 million in 2025.

As of December 31, 2025, the Group had borrowing from related company of RMB68.4 million (31 December 2024: Nil).

As of 31 December 2025, the Group had a liability component of the convertible bonds of RMB412.6 million (31 December 2024: RMB683.3 million).

### **Gearing ratio**

The gearing ratio (calculated as total interest-bearing borrowings divided by total assets) of the Group was 56.8% as of 31 December 2025 (31 December 2024: 34.3%). The increase in the gearing ratio was mainly due to the increase of convertible bonds, bank loans and other borrowings.

## **Net asset value**

As of 31 December 2025 and 2024, the net assets of the Group amounted to RMB4,473.5 million and RMB4,353.1 million, respectively. Net asset value per Share contributed to owners of the Company as of 31 December 2025 amounted to RMB2.54, as compared to RMB2.73 as of 31 December 2024.

## **Pledge of assets**

As of 31 December 2025, certain property, plant and equipment, right-of-use assets and patents with aggregate net book value of RMB2,370.7 million, as compared to RMB531.1 million as of 31 December 2024, were pledged to financial institutions as collaterals for bank and other borrowings.

As of 31 December 2025, the restricted deposits and restricted bank deposits pledged as security for the Group's banking facility amounted to RMB218.6 million (31 December 2024: RMB32.1 million).

## **CAPITAL STRUCTURE**

In 2025, there has been no material change in the capital structure of the Company. 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 2025 is set forth in the paragraph under "Share Option Scheme" below.

As of 31 December 2025, 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 on 30 December 2023. The Tranche A Convertible Bond has an initial conversion price of HK\$7.6 per Share and are convertible into the maximum of 43,815,789 Shares; and

- (ii) the First Tranche Initial Bond in the principal amount of US\$40.0 million in relation to the 2023 Convertible Bonds on 8 November 2023. The First Tranche Initial Bond has an initial conversion price of HK\$7.6 per Share and are convertible into the maximum of 40,789,474 Shares. The First Tranche Initial Bond was redeemed in full upon maturity on 6 November 2025 and the First Tranche Initial Bond was cancelled and no First Tranche Initial Bond shall remain outstanding.

As of the date of this announcement, the Company had issued the HKD-denominated convertible bonds in an aggregate principal amount of HK\$1,000,000,000 on 6 January 2026. Such convertible bonds have an initial conversion price of HK\$10.19 per Share and are convertible into the maximum of 98,135,426 Shares. Details of which are set forth in the paragraph under “Issuance of HKD-denominated convertible bonds” below.

## **CAPITAL EXPENDITURE AND COMMITMENTS**

Capital commitments represent the amount of capital expenditure contracted for as at a particular date but not yet incurred. As of 31 December 2025, the capital commitments amounted to RMB932.0 million (31 December 2024: RMB5,873.1 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) projects such as the ERP overhaul for the global Surface Solutions Business. It is estimated that the said commitments will be financed by internal resources and external financing.

## **FOREIGN EXCHANGE EXPOSURE**

The Group primarily operates in the PRC, Germany and Korea different business units through acquisition. Most of the Group's business transactions, assets and liabilities are denominated in Renminbi, Euro, US\$ and Korean Won. Hence, the Group is exposed to foreign currency risks primarily in respect of transactions denominated in different currencies. To efficiently and effectively manage these risks, the Group's financing and treasury activities are 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 and considers hedging against significant foreign currency exposure should there be any likely and significant foreign exchange risks arising from the performances of contracts or the financial position of the Group as a whole. In 2025, the Group was not engaged in any hedging activities on foreign currency risks, as the Directors are of the opinion that the related foreign currency risks affecting the Group's operations or liquidity and is manageable.

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

### **Disposal of equity interest in Chesir Luzhai**

On 24 May 2025, Luzhai Chesir Pearl Mica Material Co., Ltd. ("**Chesir Luzhai**"), a non-wholly owned indirect subsidiary of the Company, and Chongqing International Trust Inc. ("**Chongqing International**"), acting for and on behalf of Chongqing Trust - Luzhai Chesir Singular Fund Trust, entered into a capital increase agreement for a consideration of RMB500,000,000. Upon completion, the Group's effective equity interest in Chesir Luzhai will be diluted from 52.22% to 47.48%. Further details of which are disclosed in the announcement of the Company dated 24 May 2025.

## **Completion of the acquisition of global surface solutions business**

On 25 July 2024, the Company and its nominated subsidiaries entered into an agreement (the “**Agreement**”) with Merck KGaA (the “**Seller**”) and its affiliates for the purpose of acquiring from the Seller Group. Further information of the acquisition and the terms and conditions of the Agreement are set forth in the announcement of the Company dated 25 July 2024 and the Shareholders’ circular of the Company dated 25 June 2025.

Pursuant to the Agreement, the Seller Group agreed to sell, and the Company agreed to purchase, the global surface solutions business of the Seller at the aggregate consideration of EUR665,000,000, subject to adjustments in accordance with the terms and conditions of the Agreement. The acquisition was approved by the Shareholders at the extraordinary general meeting of the Company held on 21 July 2025. Completion of the acquisition took place on 31 July 2025.

## **Acquisition of minority interest of Chesir Pearl**

On 28 November 2025, the Company and Hongzun Int Investment Group Ltd. (“**Hongzun International**”) entered into a Chesir Pearl minority interest purchase agreement (the “**Chesir Pearl Minority Interest Purchase Agreement**”) pursuant to which the Company has conditionally agreed to issue 9,571,649 consideration shares for the acquisition of 2.57% of the equity interest (the “**Chesir Pearl Minority Interest**”) of Guangxi Chesir Pearl Material Co., Ltd. (“**Chesir Pearl**”), a non-wholly owned subsidiary of the Company holding 97.19% of its equity interest, under a specific mandate. Further information on the above transaction is disclosed in the announcements of the Company dated 28 November 2025 and 20 January 2026 and the Shareholders’ circular of the Company dated 19 December 2025.

The acquisition was approved by the Shareholders at the extraordinary general meeting of the Company held on 5 January 2026. Completion of the acquisition took place on 20 January 2026.

## **Issuance of HKD-denominated convertible bonds**

On 15 December 2025, the Company and The Hongkong and Shanghai Banking Corporation Limited and Deutsche Bank AG, Hong Kong Branch (the “**Managers**”) entered into the subscription agreement (the “**2025 Subscription Agreement**”), pursuant to which the Company has agreed to issue, and the Managers have conditionally agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the HKD-denominated convertible bonds (the “**2025 Convertible Bonds**”) in an aggregate principal amount of HK\$1,000,000,000. The 2025 Convertible Bonds have an initial conversion price of HK\$10.19 per Share and are convertible into Shares. The closing price of the Shares on 15 December 2025, being the date on which the terms of the 2025 Subscription Agreement were fixed, was HK\$9.48 per Share. The amount of the net proceeds received by the Company from the issue of the 2025 Convertible Bonds amounted to HK\$981.0 million on 6 January 2026. Further information on the 2025 Convertible Bonds is disclosed in the announcements of the Company dated 15 December 2025 and 6 January 2026.

Save as disclosed above, the Group did not have any significant investment, material acquisition or disposal for 2025.

## **EMPLOYEES AND REMUNERATION POLICY**

Employees’ contribution and support are valuable to the business development of the Group. 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.

As of 31 December 2025, the Group had a total of 2,111 employees: 761 in the PRC, 700 in Germany, 201 in Korea, 182 in Japan, 144 in the United States and 123 in other countries and regions<sup>(1)</sup> (31 December 2024: the Group had a total of 901 employees, including 708 in the PRC and 193 in Korea). 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; (c) provided the required social security and retirement contribution to employees in Europe and other countries; and (d) provided a mandatory provident fund scheme to employees in Hong Kong.

## **SHARE OPTION SCHEME**

A share option scheme (the “**Share Option Scheme**”) was approved and conditionally adopted pursuant to the resolutions passed by the Shareholders on 2 June 2021 for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group. In 2025, no share options of the Company have been granted, exercised, cancelled or lapsed under the Share Option Scheme.

## **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) in 2025.

As of 31 December 2025, the Company did not hold any treasury shares.

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Note: (1) The 123 employees are located in Thailand, Malaysia, Singapore, India, France, the United Kingdom, Italy, Switzerland, the Netherlands, Poland, Spain, Brazil and Mexico, etc.

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this announcement, the Company has complied with the ongoing public float threshold, representing at least 25% of the ordinary Shares held by the public as required under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## SUBSEQUENT EVENTS

- (i) On 6 January 2026, the Group completed the issuance of the 2025 Convertible Bonds in an aggregate principal amount of HK\$1,000,000,000. The initial conversion price of HK\$10.19 per Share and no other Shares are issued and are repurchased. The 2025 Convertible Bonds will be converted into 98,135,410 conversion shares.
- (ii) On 20 January 2026, the Group completed the acquisition of Chesir Pearl Minority Interest at the consideration of RMB69,021,350 which is settled by issue of 9,571,649 new Shares under a specific mandate at the issue price of HK\$8.01 per Share.
- (iii) On 2 February 2026, a wholly-owned subsidiary of the Company, namely Shenzhen Chesir Pearl Technology Co., Ltd. (“**Shenzhen Chesir**”) and Tonglu Liuan Equity Investment Partnership (Limited Partnership) (“**Hongzun LLP**”) set up Tonglu Junheng Equity Investment Partnership (Limited Partnership) (the “**Junheng LLP**”) which is a limited partnership established in the PRC. The principal activities of Junheng LLP is investment in equities and other investment activities with registered capital of RMB700 million with 40% from Shenzhen Chesir and 60% from Hongzun LLP. Shenzhen Chesir acts as general partner for the Junheng LLP and is responsible for the daily operation.

On 6 February 2026, a conditional share transfer agreement has been entered between (a) Junheng LLP and (b) two major shareholders of Zhejiang Jihua Group Co., Ltd. (“**Zhejiang Jihua**”), pursuant to which, Junheng LLP has agreed to acquire, subject to the satisfaction of various conditions precedent, from the two major shareholders 202,308,716 ordinary shares of Zhejiang Jihua, representing 29.89% of the number of shares in issue of Zhejiang Jihua at the consideration of RMB1,494.5 million.

For information on the above transactions are disclosed in the announcement of the Company dated 11 February 2026.

Save as disclosed above, there was no significant event affecting the Group which occurred after 31 December 2025 and up to the date of this announcement.

## **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 2025.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for 2025 as set forth in this announcement have been agreed by the Group’s auditor, RSM Hong Kong, to the amounts set forth in the Group’s preliminary audited consolidated financial statements for the year. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Hong Kong on this preliminary announcement.

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

The Group is committed to maintaining a 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 in 2025.

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. Dr SU Ertian ("Dr SU"), the chairman of the Board and the chief executive officer of the Company, currently performs these two roles. Dr 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 Dr 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 2025. 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 in 2025.

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

The annual general meeting (the “AGM”) of the Company will be held on Friday, 26 June 2026. The register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for entitlement to attend and vote at the AGM is Friday, 26 June 2026. In order to determine the entitlement to attend and vote at the AGM, 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, 22 June 2026.

## **PUBLICATION OF ANNUAL REPORT**

The annual report of the Company for 2025 containing all the information required by 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**

**Dr SU Ertian**

*Chairman and Chief Executive Officer*

Hong Kong, 27 March 2026

*As of the date of this announcement, the Board comprises Dr 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.*