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China Shuifa Singyes New Materials Holdings Limited

中國水發興業新材料控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8073)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of China Shuifa Singyes New Materials Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of Directors of the Company (the “Board”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 with the comparative figures for the corresponding year ended 31 December 2024.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	154,658	109,271
Gross profit	56,904	42,561
Profit before tax	20,293	12,180
Profit attributable to owners of the Company	18,730	11,372
Gross profit margin	36.8%	38.9%
Earnings per share		
– Basic and diluted	<u>RMB0.036</u>	<u>RMB0.022</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	3	154,658	109,271
Cost of sales		<u>(97,754)</u>	<u>(66,710)</u>
Gross profit		56,904	42,561
Other income and gains, net		3,076	2,161
Selling and distribution expenses		(4,901)	(3,942)
Administrative expenses		(27,608)	(24,614)
Impairment loss on trade receivables		(7,081)	(2,494)
Finance costs		1,235	(2,178)
Impairment loss on goodwill		(1,431)	–
Foreign exchange gains, net		99	686
PROFIT BEFORE TAX		20,293	12,180
Income tax (expense)	4	<u>(1,847)</u>	<u>(1,195)</u>
PROFIT FOR THE YEAR		<u>18,446</u>	<u>10,985</u>
OTHER COMPREHENSIVE INCOME:			
<i>Item that may not be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences arising on translation of financial statements		(1,252)	425
Equity investments designated at fair value through other comprehensive income		<u>(1,291)</u>	<u>–</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>15,903</u>	<u>11,410</u>

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Profit/(loss) attributable to:			
Owners of the Company		18,730	11,372
Non-controlling interests		(284)	(387)
		<u>18,446</u>	<u>10,985</u>
Total comprehensive income/(expense) attributable to:			
Owners of the Company		16,187	11,797
Non-controlling interests		(284)	(387)
		<u>15,903</u>	<u>11,410</u>
EARNINGS PER SHARE			
Basic and diluted	6	<u>RMB0.036</u>	<u>RMB0.022</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		60,423	61,622
Deferred tax assets		19,569	15,879
Right-of-use assets		–	1,316
Intangible assets		8,373	6,469
Equity investments designated at fair value through other comprehensive income (“FVTOCI”)		994	–
		89,359	85,286
CURRENT ASSETS			
Inventories		29,454	25,620
Trade and bills receivables	7	100,099	70,906
Prepayments, deposits and other receivables		22,326	19,487
Restricted cash		2,765	6,068
Cash and cash equivalents		36,595	49,969
		191,239	172,050
CURRENT LIABILITIES			
Trade payables	8	48,006	26,432
Accruals and other payables		23,427	19,688
Contract liability		4,874	2,117
Short-term borrowings		5,000	30,000
Lease liabilities		–	77
Provision for product warranties		884	921
Tax payable		2,232	1,636
		84,423	80,871
NET CURRENT ASSETS		106,816	91,179
TOTAL ASSETS LESS CURRENT LIABILITIES		196,175	176,465

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	–	1,575
Deferred income	6,059	1,628
	<u>6,059</u>	<u>1,628</u>
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	6,059	3,203
NET ASSETS	<u>190,116</u>	<u>173,262</u>
CAPITAL AND RESERVES		
Issued capital	35,415	35,415
Reserves	151,696	135,509
	<u>187,111</u>	<u>170,924</u>
Equity attributable to owners of the Company	187,111	170,924
Non-controlling interests	3,005	2,338
	<u>190,116</u>	<u>173,262</u>
TOTAL EQUITY	<u>190,116</u>	<u>173,262</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which include all International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and Interpretations, issued by the International Accounting Standards Board (“IASB”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Going concern assessment

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

These consolidated financial statements have been prepared under the historical cost basis. These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IFRS 21	Lack of Exchangeability
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The application of the new and amendments to IFRS Accounting Standards in the current year has no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective.

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without public accountability: disclosures ²
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²

¹ Effective for accounting periods beginning on or after 1 January 2026

² Effective for accounting periods beginning on or after 1 January 2027

³ Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Statements of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after 1 January 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance but has impact on presentation of the consolidated statements of comprehensive income.

3. OPERATING SEGMENT INFORMATION AND REVENUE

Operating segment information

The Group's revenue and contribution to consolidated results are mainly derived from its sale of ITO Film and Smart PDLC products, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Chinese Mainland. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Disaggregated revenue information:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Type of goods or services		
ITO Film	16,782	22,972
Smart PDLC products	119,264	79,566
Other products	18,612	6,733
	<hr/>	<hr/>
Total revenue from contracts with customers	154,658	109,271
	<hr/> <hr/>	<hr/> <hr/>

Geographical market

Revenue from external customers

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Domestic – Chinese Mainland*	64,529	46,873
Czech	42,734	6,317
Germany	37,576	46,751
Others	9,819	9,330
	<hr/>	<hr/>
Total revenue from contracts with customers	154,658	109,271
	<hr/> <hr/>	<hr/> <hr/>

* The place of domicile of the Group's principal operating subsidiary is Chinese Mainland.

4. INCOME TAX

The major components of income tax expense/(credit) for the year are as follows:

	2025	2024
	RMB'000	RMB'000
Current tax – Chinese Mainland		
Provision for the year	5,690	335
Deferred tax	(3,843)	860
	<hr/>	<hr/>
Total tax expense for the year	1,847	1,195
	<hr/> <hr/>	<hr/> <hr/>

5. DIVIDEND

At a meeting of the directors held on 26 March 2026, the directors did not recommend a final dividend for the year ended 31 December 2025 (2024 final dividend: Nil).

6. LOSS PER SHARE ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit attributable to owners of the Company for the year of RMB18,730,000 (2024: profit attributable to owners of the Company for the year of RMB11,372,000), and the number of 520,000,000 (2024: 520,000,000) ordinary shares in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amount in respect of a dilution as the exercise price of the Company's outstanding 3,990,000 share options was higher than the average market price of the Company's shares for the year ended 31 December 2025 (2024: 4,360,000 share options).

7. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	56,770	23,762
3 to 6 months	18,434	8,844
6 to 12 months	2,494	6,896
1 to 2 years	6,649	18,083
2 to 3 years	12,585	13,732
Over 3 years	94,759	84,267
	<u>191,691</u>	<u>155,584</u>

8. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the purchase recognition date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 6 months	34,049	14,779
6 to 12 months	1,224	2,699
1 to 2 years	7,322	5,545
2 to 3 years	4,282	1,807
Over 3 years	1,129	1,602
	<u>48,006</u>	<u>26,432</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group carries out research and development on, and manufactures and sells new materials such as ITO film, Smart Polymer-Dispersed Liquid Crystals (“Smart PDLC”) products. The Group uses ITO film as one of the main materials for the development of downstream products, namely: (i) Smart PDLC film (Polymer Dispersed Liquid Crystal Film) series products; and (ii) Smart Laser Projection series products. The Group is one of the few integrated manufacturers in the PRC that is capable of independent researching and developing, production and sales of ITO film, Smart PDLC film, Light-adjusting Glass and multimedia projection series products.

In 2025, the Group continued to increase its research and development efforts, utilizing its unique PDLC material design and development system to drive product iteration and upgrades toward industrialization, with the number of invention patent authorizations reaching a record high for the full year. The Group accelerated the pace of its domestic and overseas market expansion. The orders for automobile light-adjusting film business increased substantially, the sales volume increased significantly, and the product income structure was continuously optimized, becoming the most promising profit growth point of the Company. At the same time, the Group actively established an automatic production line and, through optimizing production layout and focusing on the improvement of technical processes, effectively enhanced production efficiency and inspection efficiency, achieving a surge in per capita output compared to the same period last year and creating a new record high for delivery. The Group also actively established research and development technology center laboratories, significantly enhancing its experimental testing conditions and analytical capabilities and providing hardware support for frontier technology exploration and product performance verification. Overall, the Group achieved continuous improvement in areas such as technology research and development, production operations, and market expansion in 2025.

ITO film can be applied for use in a variety of products (including touch screens, Smart PDLC products, flexible displays, wearable devices, etc.) by virtue of its advantages of flexibility, transparency and conductivity. The Group’s ITO film customers are primarily domestic touchscreen device manufacturers. Revenue from sales of ITO film was approximately RMB16.8 million for the year ended 31 December 2025, which represented a decrease of RMB6.2 million or 27.0%, from approximately RMB23.0 million for the same period in 2024.

Smart PDLC film, also known as PDLC Film (Polymer Dispersed Liquid Crystal Film), can be adjusted from milky white, hazy, semitransparent and opaque to colorless and transparent after being electrified. PDLC Film can be used in windows and glass to control light penetration. PDLC Film can be integrated into smart liquid crystal light-adjusting glass after being compounded by high temperature and high pressure adhesive, or directly attached to the original glass surface, so that users can switch between transparency and atomization with one key, and can also control the light transmittance by adjusting the voltage of Smart PDLC film. Smart liquid crystal light-adjusting series products cover light-adjusting films for buildings, light-adjusting films for automobiles and light-adjusting products for consumer electronics. The customers are mainly contractors of construction companies and developers, automobile OEMs, automobile glass

manufacturers and consumer electronics manufacturers. Revenue from sales of Smart PDLC products was approximately RMB119.3 million for the year ended 31 December 2025, which represented an increase of approximately RMB39.7 million or approximately 49.9%, from approximately RMB79.6 million for the same period in 2024.

Others include sales of other materials and products. The revenue from other products was approximately RMB18.6 million for the year ended 31 December 2025, which represented an increase of approximately RMB11.9 million, from approximately RMB6.7 million for the same period in 2024.

Our Group strives to manufacture and supply high quality products to our customers, and our Directors believe that our Group is a reputable supplier of ITO film and related downstream products in the PRC. Our key operating subsidiary was ranked as the leading manufacturer of Smart PDLC products in the PRC in terms of market share by revenue. During the year ended 31 December 2025, our total revenue has increased by approximately 41.5% as compared to the same period in 2024. We recorded a profit attributable to owners of the Company of approximately RMB18.7 million for the year ended 31 December 2025, as compared with the profit attributable to owners of the Company of approximately RMB11.4 million for same period in 2024. The profit for the year was mainly resulted from the increase in sales of Smart PDLC products.

OUTLOOK AND PROSPECTS

In view of evolving market trends and customer preferences and needs, the Group has extended its technical research fields to diversify its products. The directors of the Group believe that, as a market participant which is active in the technology sector, it is crucial for the business of our Group to actively research and identify market demand and devote substantial resources towards research and development (including identifying new materials and applications). This enables the Group to maintain a dominant position in technology and open up new business growth points, and ultimately enhance or maintain the Group's competitiveness. The directors of the Group believe that the Group's current product research and development layout offers broad application prospects and a favorable profit growth trajectory.

Looking into the 2026, the Group will continue to focus on different application scenarios and customer needs to build a customer-oriented business operation system and accelerate the improvement of the performance, quality and added value of products to provide strong support for expanding market share and enhancing profitability. On the one hand, the Group will conduct in-depth research on cutting-edge technologies and application development, focusing on high value-added sectors such as the automotive, construction and consumer electronics. It will also carry out in-depth research on different technologies such as PDLC and EC (Electrochromism), with a key focus on the layout of frontier products including automotive high-contrast DDPDLC light-adjusting film, flexible EC electrochromic film and colored PDLC film for construction use. This aims to enrich its product categories, accelerate the launch of mass production, continuously expand the application fields of Smart PDLC products, realize commercial value and promote the deep integration of technological innovation and industrial upgrading. On the other hand, the Group will accurately grasp market information and trends to timely adjust its sales strategies. It

will continuously promote online marketing and brand building, reasonably control production costs and provide customized product solutions to revitalize the traditional business market with differentiated services. The Group will increase the proportion of high-quality customers, proactively seize market share and enhance market competitiveness and customer stickiness. Furthermore, the Group adheres to high standards of process and quality management, and plans to introduce new coating line equipment and application equipment, upgrade its production plants, production lines and testing centers to enhance production efficiency and product yield. By establishing collaboration across the entire chain from research and development to production and then to the market, the Group will improve innovation efficiency and market responsiveness, supporting market expansion and order growth.

The Group is committed to promoting industrial iterative upgrading, developing market diversification, expanding production capacity and extending the business chain through continuous exploration and research and development of new technologies, products and processes, thereby gradually transitioning from formula upgrades to product iterations, and shifting from sales through construction channels to small and medium-sized enterprises and private business owners into a supplier capable of serving the world's top glass manufacturers, so as to increase the market share and influence of the Group's products in the global market.

The Group believes that its current research projects possess significant advantages in terms of overall technology, enjoy high customer recognition, and have promising market prospects. As these projects have already entered the sample testing stage, it is expected that the Group's product market share will continue to expand in the future. While diversifying our businesses to meet the challenges, the Group will prudently carry out research and development projects and expand our production lines after carefully analyzing the market dynamics and trends to meet the future market expectation demand. At the same time, the directors of the Group will pay close attention to economic changes, maintain prudent and steady strategies, and actively respond to the challenges and opportunities ahead.

FINANCIAL REVIEW

Revenue

Our revenue was approximately RMB154.7 million for the year ended 31 December 2025, which represented an increase of approximately RMB45.4 million, or approximately 41.5% from approximately RMB109.3 million for the same period in 2024. The increase was mainly attributable to the increase of sales volume of smart PDLC products.

Cost of sales and gross profit

Our cost of sales was approximately RMB97.8 million for the year ended 31 December 2025, which represented an increase of approximately RMB31.1 million or approximately 46.6%, from approximately RMB66.7 million for the same period in 2024. The increase in cost of sales mainly reflected the increase in the production capacity during the year.

Our gross profit increased by approximately RMB14.3 million or approximately 33.6%, from approximately RMB42.6 million for the year ended 31 December 2024 to approximately RMB56.9 million for the year ended 31 December 2025. Our gross profit margin decreased from approximately 38.9% for the year ended 31 December 2024 to approximately 36.8% for the same period in 2025.

Selling and distribution expenses

Our selling and distribution expenses were approximately RMB4.9 million for the year ended 31 December 2025. These expenses mainly included remuneration for sales and marketing employees based on sales performances and expenses relating to the marketing efforts in the Group's business promotion and participation in exhibitions. The selling and distribution expenses were approximately 3.2% of the revenue for the year ended 31 December 2025, as compared to approximately 3.6% for the same period in 2024.

Administrative expenses

Our administration expenses were approximately RMB27.6 million for the year ended 31 December 2025, which represented an increase of approximately RMB3.0 million or approximately 12.1%, from approximately RMB24.6 million for the same period in 2024. These expenses mainly included employee wages and salaries, depreciation and research costs. The administrative expenses were approximately 17.9% of the revenue for the year ended 31 December 2025, as compared to approximately 22.5% for the same period in 2024.

Liquidity, financial resources and capital structure

The Group's primary use of cash is to satisfy its working capital and capital expenditure needs. Historically, our Group's use of cash has mainly been financed through a combination of cash received from the sales of our products and financial support from our Group's related parties.

As at 31 December 2025, our Group had short-term borrowings of RMB5.0 million and no long-term borrowings. Going forward, we believe our liquidity requirements will be satisfied using a combination of cash generated from operating activities, bank borrowings and proceeds from the Listing. Our Directors believe that in the long term, our Group's operation will be funded by internally generated cash flows and, if necessary, additional equity and/or debt financing.

Capital expenditure

For the year ended 31 December 2025, the Group's capital expenditure amounted to approximately RMB12.1 million (2024: approximately RMB4.9 million) and mainly arose from expenditures for purchase of production machinery.

Gearing ratio

Gearing ratio is calculated by dividing the total liabilities by total equity attributable to owners of the Company at the end of the reporting period. As at 31 December 2025, the Group's gearing ratio remained stable at approximately 48.4% (31 December 2024: approximately 49.2%).

Future plans for material investments or capital assets

There was no plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

Significant investments, acquisitions and disposals

For the year ended 31 December 2025, the Group did not make any material acquisition or disposal of subsidiaries, associated companies and joint ventures as well as any significant investments.

Capital commitments

As at 31 December 2025, the Group had no capital commitments in respect of equity investments (2024: approximately RMB4.5 million).

Contingent liabilities

As at 31 December 2025, the Group had no significant contingent liabilities (2024: Nil).

Pledge of assets

As at 31 December 2025, the Group had restricted cash of approximately RMB2.8 million (2024: approximately RMB6.1 million).

IMPAIRMENT LOSS ON TRADE RECEIVABLES

The Group has recognised approximately RMB7.1 million as impairment losses charged on overdue trade receivables during the year ended 31 December 2025, where most of the outstanding balances have an ageing of over three years. The management of the Group (the “Management”) carry out a valuation of the recoverable amount of trade receivables as at 31 December 2025 (“Valuation Date”).

Circumstances leading to the recognition of the impairment loss

The Group understands that its customers and their repayment ability have been affected by the adverse business environment and the slow recovery of the economy. The customers of these trade receivables consist of various customers with long aging. The Group has been following up the status to understand the latest development of such customers. As at the date of this announcement, the Group had no subsequent cash settlements of the trade receivables with ageing of over three years, the most of which the management of the Group considered unlikely to be recoverable and provided impairment loss.

Value of inputs used or key assumptions adopted in the impairment valuation

With reference to the valuation, the Group carried out an assessment on the recoverable amount of trade receivables and estimated the amount of the expected credit loss (the “ECL”) of trade receivables.

The valuation of trade receivables considered ECL method, in which the ECL is based on the assessments considering exposure at default, probability of default, and expected recovery rates from default, adjusted with forward-looking factor.

The Management is of the opinion that the recoverable amount of overdue trade receivables of the Group with ageing of over 3 years as at the Valuation Date is nil, except for certain balances assessed individually. The ECL was provided with reference to the valuation results conducted by the Management. The Group believed that the above-mentioned valuation basis, value of inputs used and key assumptions applied by the Management were consistent with the current market trends and conditions. Accordingly, allowance for expected credit losses for trade receivables has been made to the Group’s audited consolidated financial statement for the year ended 31 December 2025.

Valuation Method and Reason for its Adoption

The Group’s impairment assessment policy on trade receivables was set out in note 4 to the consolidated financial statements of the Company as included in the 2025 Annual Report.

The Group always recognises lifetime ECL for trade receivables and has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECLs on these items by using a provision matrix, grouped by past due status.

In completing the valuation, reference was made to generally accepted approaches to the valuation of trade receivables, as well as IFRS 9 in relation to the disclosure and presentation, recognition and measurement of financial instruments.

Management of the Group is of opinion that the adopted expected loss method for the assessment of ECL which is commonly used in measuring the ECL of trade receivables. The Management estimated the ECL as the product of three factors: (i) exposure at default; (ii) forecasted probability of default; and (iii) loss given default, if applicable. Recoverable amount of trade receivables is estimated as its exposure of default less the ECL.

With reference to the valuation results, allowance for credit losses for trade receivables of approximately RMB7.1 million was recognised during the year ended 31 December 2025.

Having considered the above, the Directors are of the view that such provisions of impairment were fair and reasonable, and were in line with the prevailing accounting standards.

Actions to recover the trade receivables

While each case may have unique circumstances, the Company generally follows a series of steps to recover outstanding payments. Set out below are the usual actions undertaken by the Company:

1. Analysis and Communication
2. Reminder Notices
3. Payment Negotiation
4. Legal Actions
5. Debt Recovery Agencies

It is important to note that the specific actions taken may vary depending on the nature of the debt, the debtor's financial condition, legal considerations and also cost implications in recovering the debts. The Group's priority is to maintain open lines of communication, explore mutually beneficial solutions, and ensure fair treatment of all parties involved.

By following these usual actions, the Group aims to maximise the chances of recovering trade receivables while preserving relationships with our valued clients. Our dedicated team remains committed to resolving outstanding balances promptly and efficiently.

USE OF PROCEEDS FROM THE LISTING

The Shares of the Company were listed on GEM on 21 July 2017 (the “Listing Date”) with net proceeds received by the Company from the Share Offer in the amount of HK\$93,500,000 after deducting underwriting commission and all related listing expenses.

An analysis of the utilization of the net proceeds from the Listing Date up to 31 December 2025 is set out below:

Business Strategy	Planned use of net proceeds as stated in the Prospectus <i>HK\$ million</i>	Actual balances of unutilized net proceeds as at 1 January 2025 <i>HK\$ million</i>	Utilization of net proceeds during the year ended 31 December 2025 <i>HK\$ million</i>	Actual balances of unutilized net proceeds as at 31 December 2025 <i>HK\$ million</i>	Expected timeline for unutilized net proceeds
Overseas business expansion	9.8	–	–	–	N/A
Research and development of new materials and products	21.2	–	–	–	N/A
Purchase of machinery and equipment for production of anti-ambient screen	6.8	–	–	–	N/A
Enhancement to wide ITO film	4.3	–	–	–	N/A
Sales and marketing effects in the PRC	8.7	–	–	–	N/A
Project for full automation of production line for Smart PDLC products	12.0	–	–	–	N/A
Establishment and mass production of domestic laser home cinema systems	3.0	–	–	–	N/A
Installation of extra-wide production line for Smart PDLC products	11.5	9.2	9.2	–	N/A
Installation of fully automated production line for pressing of glass	9.0	4.9	–	4.9	By the end of 2026
Working capital	7.3	–	–	–	N/A

The business strategies as set out in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

As at 31 December 2025, approximately HK\$88.6 million out of the net proceeds from the Share Offer had been used. The unused net proceeds have been deposited in licensed banks.

The Company intends to apply the net proceeds in the manner consistent with that set out in the Prospectus. However, the actual use of proceeds was lower than planned use of proceeds because of the delay in automation and installation of production lines for pressing of glass. In response to the rapidly changing business environment, it has also taken more time than expected to look for suitable machinery and equipment producers which could meet our production requirements. Hence, the timeline for utilizing net proceeds allocated for installation of fully automated production line for pressing of glass has been postponed accordingly. The Directors will constantly evaluate the Group's business strategies and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

DIVIDEND

The Directors did not recommend a final dividend (2024: Nil). The actual dividend payout ratio in each year will depend on the actual performance and financial position of the Group, the general industry and economic environment.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, so far as the Directors are aware, the following persons (other than the Directors and chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' interests and short positions in Shares, underlying Shares and debenture of the Company and its associated corporations" below) have or are deemed to have an interest and short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") or which were recorded in the register of the Company required to be kept by the Company under Section 336 of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long position in the Shares

Name of shareholders	Capacity/Nature of interests	Number of Shares held	Approximate percentage of shareholding (Note 3)
China Shuifa Singyes Energy Holdings Limited ("Shuifa Singyes")	Beneficial owner	324,324,325	62.37%
Water Development (HK) Holdings Co Limited ("Water Development (HK)")	Interest in a controlled corporation (Note 1)	324,324,325	62.37%
Shuifa Group Co., Ltd ("Shuifa Group")	Interest in a controlled corporation (Note 1)	324,324,325	62.37%
AMATA Limited	Beneficial owner	40,000,000	7.69%
Mr. Luo Jingxi	Interest in a controlled corporation (Note 2)	40,000,000	7.69%
Kunlun Holdings Group Limited	Beneficial owner	26,021,206	5.00%

Notes:

1. Water Development (HK) is the legal and beneficial owner of 1,687,008,585 shares of Shuifa Singyes and has a security interest in 180,755,472 shares of Shuifa Singyes, representing approximately 66.92% and 7.17% of the issued share capital in Shuifa Singyes respectively. Water Development (HK) is beneficially and wholly-owned by Shuifa Group. As such, each of Water Development (HK) and Shuifa Group is deemed to be interested in the Shares in which Shuifa Singyes holds under Part XV of the SFO.
2. AMATA Limited is legally and beneficially owned by Mr. Luo Jingxi, Mr. Hua Jianjun, Mr. Zhong Qibo and Mr. He Qiangmin as to 39%, 27%, 20% and 14% respectively. Mr. Luo Jingxi is deemed to be interested in the Shares held by AMATA Limited under Part XV of the SFO.
3. The percentage is calculated on the basis of 520,000,000 Shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person or corporation other than the Directors and Chief Executives whose interests are set out in the section headed “Directors’ and Chief Executives’ interests and short positions in Shares, underlying Shares and debenture of the Company and its associated corporations” below, had any interest or short position in the Shares or underlying Shares of the Company that was required to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, so far as the Directors are aware, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, have been notified to the Company and the Stock Exchange, are as follows:

Long position in the Shares

Name of Director(s)	Capacity/Nature of Interests	Number of shares held	Approximate percentage of shareholding <i>(Note 3)</i>
Mr. Zhou Qing	Beneficial Interest	<u>1,556,000</u>	<u>0.3%</u>

Note: The interest comprises beneficial interest in 556,000 Shares and interest in 1,000,000 outstanding share options under the Share Option Scheme.

Long positions in the shares of Shuifa Singyes (Note 1)

Name of Director(s)	Capacity/Nature of Interests	Number of Shares held	Approximate percentage of shareholding <i>(Note 2)</i>
Mr. Zhou Qing	Beneficial interest	<u>229,000</u>	<u>0.009%</u>

Notes:

1. Shuifa Singyes is listed in the Main Board of the Stock Exchange with stock code: 750. Shuifa Singyes is a holding company of the Company pursuant to the SFO.
2. The percentage is calculated on the basis of 2,521,081,780 shares in issue of Shuifa Singyes as at 31 December 2025.
3. The percentage is calculated on the basis of 520,000,000 in issue of the Company as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which was taken or deemed to have under such provisions of the SFO), or which was required to be recorded pursuant to Section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated corporations” above, at no time during the year ended 31 December 2025 and up to the date of this announcement, was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor its subsidiaries have purchased, sold or redeemed any listed securities of the Company during the year end 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events affecting the Group, which have occurred subsequent to 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Board recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors consider that the Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the GEM Listing Rules during the year ended 31 December 2025 and up to the date of this announcement (the “Relevant Period”).

CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of all Directors and all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding directors’ securities transactions adopted by the Company during the Relevant Period.

AUDIT COMMITTEE

The Company has established the Audit Committee on 21 July 2017 in compliance with Rule 5.28 of the GEM Listing Rules. Among other things, the primary duties of the Audit Committee are to review and supervise the Company’s financial reporting process, internal control system and risk management system and to provide advice and recommendations to the Board on the appointment, reappointment and removal of external auditors.

The Audit Committee consists of three independent non-executive Directors, namely Ms. Pan Jianli, Mr. Zhang Yumo and Dr. Li Ling. Ms. Pan Jianli is the chairperson of the Audit Committee.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters with senior management and the auditors of the Company relating to the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2025. This final results announcement has been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting principles and practices adopted by the Group and that adequate disclosure has been made.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 set forth in this announcement have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited, to the amounts set forth in the Group's audited consolidated financial statements for 2025. The work performed by Rongcheng (Hong Kong) CPA Limited 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 Rongcheng (Hong Kong) CPA Limited on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and the Company's website at www.syeamt.com and the 2025 annual report of the Company containing all the information required by the GEM Listing Rules will be despatched to the shareholders and published on the respective websites of the Company and the Stock Exchange in due course.

By order of the Board
China Shuifa Singyes New Materials Holdings Limited
Du Peng
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Du Peng (Chairman), Mr. Zhang Chao and Mr. Liu Yong; the non-executive Director of the Company is Mr. Zhou Qing; and the independent non-executive Directors of the Company are Ms. Pan Jianli, Mr. Zhang Yumo and Dr. Li Ling.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company (www.syeamt.com).