Xingye Alloy Materials Group Limited
興業合金材料集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 505)

PROFIT WARNING

This announcement is made by Xingye Alloy Materials Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the Board's preliminary review of the unaudited consolidated management accounts of the Group, the profit attributable to the equity shareholders of the Group for the year ended 31 December 2025 (the "**Current Year**"), is expected to decrease by approximately 50% as compared to that of RMB241.2 million for the year ended 31 December 2024 (the "**Prior Year**"). The expected decrease in profit attributable to the equity shareholders of the Group for the Current Year was mainly attributable to the following reasons: (1) the Company's use of copper future contracts to hedge the risk of copper price volatility. The Company booked significant losses due to the rapid and dramatic rise in copper price in the fourth quarter of 2025; (2) addition of new employees and salary adjustments, which led to an increase in labor costs; (3) the increase in depreciation costs due to acquisition of new equipment and other infrastructures; and (4) the cancellation of export tax rebate policy for some copper products by the Chinese government resulting in a decrease in the gross profit of overseas sales.

The Company is still in the process of finalising the annual results of the Group for the Current Year. The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the Current Year and the information currently available to the Company and have not been audited or reviewed by the Company's auditor, and may be subject to adjustments. Details of the Group's annual results for the Current Year will be disclosed in the annual results announcement of the Group for the Current Year, which is expected to be published by the end of March 2026.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Xingye Alloy Materials Group Limited
HU Minglie
Chief Executive Officer and Executive Director

Hong Kong, 30 January 2026

As at the date of this announcement, the executive directors of the Company are Mr. HU Changyuan, Mr. HU Minglie and Mr. ZHU Wenjun, and the independent non-executive directors of the Company are Mr. CHAI Chaoming, Dr. LOU Dong, Ms. LU Hong and Ms. ZHAO Yan.