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**DONGYUE
FEDERATION**
DONGYUE GROUP LIMITED
東岳集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 189)

**(1) ANNOUNCEMENT OF ANNUAL RESULTS FOR THE
YEAR ENDED 31 DECEMBER 2025
AND
(2) CLOSURE OF REGISTER OF MEMBERS**

FINANCIAL SUMMARY

(Unless otherwise specified, presented in millions of RMB)

	2025	2024
Revenue	14,355	14,181
Gross profit	4,423	3,067
Gross Profit Margin	30.81%	21.62%
Profit before taxation	2,577	1,423
Profit for the year	2,184	987
Profit for the year attribute to owners of the Company	1,642	811
Basic earnings per share (RMB yuan)	0.98	0.46
Final dividends per share (HK\$)	0.30	0.10
	For the year ended 31 December 2025	For the year ended 31 December 2024
Total equity	20,165	17,472
Net assets per share (RMB yuan)	11.54	10.00

(1) *Announcement of Annual Results for the year ended 31 December 2025*

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

For the year ended 31 December 2025

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	14,355,381	14,181,087
Cost of sales		(9,932,674)	(11,114,506)
Gross profit		4,422,707	3,066,581
Other income and other net gains or losses	4	289,989	226,237
Distribution and selling expenses		(415,657)	(437,188)
Administrative and other expenses		(955,685)	(734,857)
Research and development costs		(784,419)	(707,132)
Gain on disposal of partial interests of an associate		3,000	139,049
Gain/(loss) on disposal of subsidiaries		8,435	(100,216)
Finance costs	5	(1,401)	(1,357)
Share of results of associates		9,865	(28,071)
Profit before taxation		2,576,834	1,423,046
Income tax expense	6	(393,241)	(435,549)
Profit for the year	7	2,183,593	987,497
Other comprehensive income for the year <i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes on equity instruments at fair value through other comprehensive income (“FVTOCI”)		106,468	21,266
Total comprehensive income for the year		2,290,061	1,008,763
Profit for the year attributable to:			
— Owners of the Company		1,641,812	810,804
— Non-controlling interests		541,781	176,693
		2,183,593	987,497
Total comprehensive income for the year attributable to:			
— Owners of the Company		1,738,560	832,070
— Non-controlling interests		551,501	176,693
		2,290,061	1,008,763
Earnings per share			
— Basic and diluted (RMB)	8	0.98	0.46

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		11,915,717	12,279,823
Right-of-use assets		970,547	889,852
Deposits paid for purchase of property, plant and equipment		339,350	217,378
Interest in associates		153,781	97,809
Intangible assets		14,262	18,769
Equity instruments at fair value through other comprehensive income (“FVTOCI”)	<i>10</i>	423,436	129,629
Deferred tax assets		60,216	85,667
Goodwill		302,615	440,767
		<u>14,179,924</u>	<u>14,159,694</u>
Current assets			
Inventories		1,348,057	1,429,752
Properties for sale		6,109	10,820
Trade and other receivables	<i>11</i>	3,004,024	2,777,363
Pledged bank deposits		14,744	88,745
Bank balances and cash		5,005,398	2,470,496
		<u>9,378,332</u>	<u>6,777,176</u>
Current liabilities			
Trade and other payables	<i>12</i>	2,798,430	2,822,668
Tax liabilities		23,398	71,934
Lease liabilities		6,793	5,138
Deferred income		41,999	39,938
		<u>2,870,620</u>	<u>2,939,678</u>
Net current assets		<u>6,507,712</u>	<u>3,837,498</u>
Total assets less current liabilities		<u>20,687,636</u>	<u>17,997,192</u>

	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY		
Equity attributable to the equity holders of the Company		
Share capital	163,506	163,506
Reserves	14,213,478	11,943,554
	<u>14,376,984</u>	<u>12,107,060</u>
Equity attributable to the owners of the Company	14,376,984	12,107,060
	<u>5,787,648</u>	<u>5,364,777</u>
Non-controlling interests	5,787,648	5,364,777
	<u>20,164,632</u>	<u>17,471,837</u>
Total equity	20,164,632	17,471,837
Non-current liabilities		
Deferred tax liabilities	220,167	198,809
Lease liabilities	25,205	21,304
Deferred income	275,832	305,242
Bank borrowings	1,800	–
	<u>523,004</u>	<u>525,355</u>
	<u>20,687,636</u>	<u>17,997,192</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Dongyue Group Limited (the “Company”) was incorporated in the Cayman Islands on 24 July 2006 as an exempted company with limited liability. The address of its registered office is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 10 December 2007.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacture, distribution and sale of polymers, organic silicon, refrigerants and dichloromethane, and liquid alkali and others.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years except as stated below.

The Group has not applied the new IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRS Accounting Standards but is not yet in a position to state whether these new IFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on sales of goods and properties.

3.1 Revenue

Disaggregation of revenue from contracts with customers:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods or service		
<i>Sales of chemical product</i>		
Polymers	3,930,086	3,824,967
Refrigerants	4,940,752	3,247,702
Organic silicon	3,824,405	5,212,703
Dichloromethane and liquid alkali	1,223,300	1,104,337
	<u>13,918,543</u>	<u>13,389,709</u>
<i>Other operations</i>	<u>436,838</u>	<u>791,378</u>
Total	<u><u>14,355,381</u></u>	<u><u>14,181,087</u></u>

Sale of chemical products

Revenue (net of value added tax or other sales taxes) from the sale of goods are recognised at a particular point in time when customers have control of the promised goods, which is generally the time when goods are delivered to customers and customers have accepted the goods.

3.2 Operating Segments

The Group's operations are organised based on the different types of products. Information reported to the board of directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of products. This is the basis upon which the Group is organised.

The Group's operating and reportable segments are as follows:

- Polymers;
- Organic silicone;
- Refrigerants;
- Dichloromethane and liquid alkali; and
- Other operations — manufacturing and sales of side-products of refrigerants segment, polymers segment, organic silicone segment and dichloromethane and liquid alkali segment, property development and rental income.

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2025

	Polymers	Refrigerants	Organic Silicon	Dichloro- methane and liquid alkali	Other operations	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
External sales	3,930,086	4,940,752	3,824,405	1,223,300	436,838	-	14,355,381
Inter-segment sales	23	2,235,413	-	24,145	1,355,861	(3,615,442)	-
Total revenue — segment revenue	<u>3,930,109</u>	<u>7,176,165</u>	<u>3,824,405</u>	<u>1,247,445</u>	<u>1,792,699</u>	<u>(3,615,442)</u>	<u>14,355,381</u>
SEGMENT RESULTS	<u>356,642</u>	<u>2,287,697</u>	<u>(51,711)</u>	<u>358,053</u>	<u>(380,613)</u>	<u>-</u>	<u>2,570,068</u>
Unallocated corporate expenses							(13,133)
Gain on disposal of partial interests of an associate							3,000
Gain on disposal of subsidiaries							8,435
Share of results of associates							9,865
Finance costs							(1,401)
Profit before taxation							<u>2,576,834</u>

For the year ended 31 December 2024

	Polymers	Refrigerants	Organic Silicon	Dichloro- methane and liquid alkali	Other operations	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
External sales	3,824,967	3,247,702	5,212,703	1,104,337	791,378	-	14,181,087
Inter-segment sales	-	2,271,302	-	25,400	1,222,472	(3,519,174)	-
Total revenue — segment revenue	<u>3,824,967</u>	<u>5,519,004</u>	<u>5,212,703</u>	<u>1,129,737</u>	<u>2,013,850</u>	<u>(3,519,174)</u>	<u>14,181,087</u>
SEGMENT RESULTS	<u>508,088</u>	<u>806,356</u>	<u>101,668</u>	<u>372,161</u>	<u>(368,749)</u>	<u>-</u>	<u>1,419,524</u>
Unallocated corporate expenses							(5,883)
Gain on disposal of partial interest of an associate							139,049
Loss on disposal of subsidiaries							(100,216)
Share of results of associates							(28,071)
Finance costs							(1,357)
Profit before taxation							<u>1,423,046</u>

Segment results represent the results of each segment without allocation of unallocated expenses, gain/(loss) on disposal of subsidiaries, gain on disposal of associates and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. No segment information on assets and liabilities is presented as such information is not reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

3.3 Entity-wide disclosures

Information about major customers

There was no revenue from a single customer that contributed over 10% of the total sales of the Group for the years ended 31 December 2025 and 2024.

Geographical information

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
PRC (Country of domicile)	12,285,525	11,872,043
Oversea	<u>2,069,856</u>	<u>2,309,044</u>
	<u><u>14,355,381</u></u>	<u><u>14,181,087</u></u>

Over 95% of the Group's non-current assets other than financial instruments and deferred tax assets (2024: 95%) are located in the PRC as at 31 December 2025. Accordingly, no information about its non-current assets by geographical location is presented.

3.4 Other segment information

	Polymers RMB'000	Refrigerants RMB'000	Organic Silicon RMB'000	Dichloromethane and Liquid alkali RMB'000	Other Operations RMB'000	Total RMB'000
2025						
Amounts included in the measures of segment profit or loss:						
Depreciation of property, plant and equipment	373,351	246,821	430,784	125,577	149,618	1,326,151
Depreciation of right-of-use-assets	3,776	6,240	5,842	1,178	17,447	34,483
Amortisation of intangible assets	2,631	889	338	12	852	4,722
Impairment on property, plant and equipment	-	54,412	-	-	173,528	227,940
Impairment on trade receivables	1,869	19,783	(2,074)	146	1,407	21,131
Research and development cost	259,528	281,344	141,560	48,200	53,787	784,419
Write-down/(reversal) of inventories	(4,028)	12,666	2,235	(2,365)	-	8,508
Loss on disposals of property, plant and equipment	41,636	39,043	30,263	12,585	11,686	135,213
Impairment on goodwill	84,540	-	-	-	52,952	137,492
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Gain on disposal of partial interests of an associate	-	-	-	-	3,000	3,000
Gain on disposal of subsidiaries	-	-	-	-	8,435	8,435
Share of results of associates	-	-	-	-	9,865	9,865

	Polymers RMB'000	Refrigerants RMB'000	Organic Silicon RMB'000	Dichloromethane and Liquid alkali RMB'000	Other Operations RMB'000	Total RMB'000
2024						
Amounts included in the measures of segment profit or loss:						
Depreciation of property, plant and equipment	309,126	220,656	380,523	100,471	150,532	1,161,308
Depreciation of right-of-use-assets	3,756	5,671	5,511	1,189	14,882	31,009
Amortisation of intangible assets	1,809	760	361	31	-	2,961
Impairment on property, plant and equipment	-	-	15,655	-	119,425	135,080
Impairment on properties for sales	-	-	-	-	90,976	90,976
(Reversal of impairment)/impairment on trade receivables	70	4,591	3,300	6	611	8,578
Research and development cost	197,723	217,611	172,773	44,302	74,723	707,132
Write-down of inventories	22,600	(2,148)	20,767	362	25,225	66,806
Loss on disposals of property, plant and equipment	3,110	64,330	24,663	8,024	10,253	110,380
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Gain on disposal of partial interests of an associate	-	-	-	-	139,049	139,049
Loss on disposal of subsidiaries	-	-	-	-	(100,216)	(100,216)
Share of results of associates	-	-	-	-	(28,071)	(28,071)

4. OTHER INCOME AND OTHER GAINS OR LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Government grants (<i>note (i)</i>)	189,983	89,697
Bank deposits interest income	38,397	25,908
Sundry income	60,609	73,285
	<u>288,989</u>	<u>188,890</u>
Other gains or losses		
Exchange difference, net	1,000	37,347
	<u>1,000</u>	<u>37,347</u>
	<u><u>289,989</u></u>	<u><u>226,237</u></u>

Notes:

- (i) During the year ended 31 December 2025, the Group recognised government grants of RMB101,036,000 (2024: RMB49,759,000) in the consolidated statement of profit or loss. Government grants mainly represent (a) the expenditure on research activities which are recognised as expense in the period in which they are incurred by the Group, and (b) additional value-added tax deduction. The Group recognised these government grants as other income when there were no unfulfilled conditions or contingencies.

During the year ended 31 December 2025, in addition, the Group recognised government grant of RMB88,947,000 (2024: RMB39,938,000), which was released from deferred income to the consolidated statement of profit or loss. The Group received subsidies from government in respect of the acquisition of property, plant and equipment for manufacturing of chemical products. Such subsidies are classified as deferred income in the consolidated statement of financial position and will be recognised in the consolidated statement of profit or loss over the estimated useful lives of the related assets.

5. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interests on:		
Lease liabilities	<u>1,401</u>	<u>1,357</u>
Bank loan interest	409	–
Amount capitalised	<u>(409)</u>	<u>–</u>
	<u><u>1,401</u></u>	<u><u>1,357</u></u>

6. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
PRC enterprise income tax (“EIT”)		
— Current year	410,147	222,156
— Under/(over) provision in prior years	(63,735)	35,908
Land Appreciation Tax (“LAT”)	<u>20</u>	<u>115,218</u>
	<u><u>346,432</u></u>	<u><u>373,282</u></u>
Deferred tax		
— Withholding tax for distributable profits of PRC subsidiaries	70,000	21,000
— Others	<u>(23,191)</u>	<u>41,267</u>
	<u><u>46,809</u></u>	<u><u>62,267</u></u>
Income tax expense	<u><u>393,241</u></u>	<u><u>435,549</u></u>

Tax charge mainly consists of income tax in the PRC attributable to the assessable profits of the Company’s subsidiaries established in the PRC. Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2024: 25%), except for certain PRC subsidiaries being awarded the Advanced-Technology Enterprise Certificate and entitled for a tax reduction from 25% to 15%.

The Company’s subsidiaries incorporated in Hong Kong is under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Pursuant to the local rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(a) Staff costs (including directors' emoluments)		
Wages and salaries	965,394	784,680
Pension scheme contributions	214,542	200,921
Equity-settled share-based payment of a subsidiary	12,457	2,869
Other staff welfare	92,288	66,403
Total staff costs	1,284,681	1,054,873
(b) Other items		
Amortisation of intangible assets (included in cost of sales)	4,722	2,961
Auditor's remuneration	2,561	2,564
Depreciation of property, plant and equipment	1,326,151	1,161,308
Depreciation of right-of-use assets	34,483	31,009
Loss on disposal of property, plant and equipment	135,213	110,380
Loss on disposal of right-of-use assets	1,448	–
Loss on disposal of intangible assets	5,936	–
Government grants	(189,983)	(89,697)
Impairment/(reversal) on other receivables	23,733	(25,441)
Impairment of trade receivables	21,131	8,578
Impairment of the goodwill	137,492	–
Impairment of property, plant and equipment	227,940	135,080
Write-down of inventories (included in cost of sales)	8,508	66,806
Impairment of properties for sales (included in cost of sales)	–	90,976

8. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share attributable to the owners of the Company are based on the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year attributable to owners of the Company, used in the basic and diluted earnings per share calculations (RMB)	1,641,812	810,804
	Number of shares	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,675,729	1,746,485
Earning per share (RMB per share)	0.98	0.46

During the year ended 31 December 2025 no ordinary shares were purchased, during the year ended 31 December 2024, the Company completed the repurchase of shares and cancelled 520,978,000 shares.

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the years ended 31 December 2025 and 2024 has been arrived at after deducting the shares held in trust for the Company.

The Company did not have any potential diluted ordinary shares outstanding during the years ended 31 December 2025 and 2024. Diluted earnings per share for the year ended 31 December 2025 and 2024 are the same as the basic earnings per share.

9. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends paid:		
2024 final dividend of HK\$0.10 (2024: 2023 final dividend of HK\$0.10 per share)	<u>160,456</u>	<u>155,609</u>

A final dividend HK\$0.30 per share (2024: HK\$0.10 per share), amounting to HK\$519,813,491 (2024: HK\$173,271,164) in respect of the year ended 31 December 2025 (approximately equivalent to RMB469,506,000 (2024: RMB160,456,000)) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

10. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unlisted equity securities, at fair value			
Taihe Asset Management Co. Ltd. (“Taihe”)	<i>(a)</i>	87,063	73,443
Hainan Guji Investment Partnership (limited partnership) (“Hainan Guji”)	<i>(b)</i>	1,281	3,218
Zibo Runxin Dongyue New Material Equity Investment Fund Partnership (limited partnership) (“Zibo Runxin”)	<i>(c)</i>	73,000	47,779
Leshan City Commercial Bank Co.	<i>(d)</i>	2,310	2,047
Leshan Rural Commercial Bank Co.	<i>(e)</i>	3,132	3,142
		<u>166,786</u>	129,629
Listed equity securities, at fair value			
Hunan Hualian Porcelain Industry Co., Ltd.	<i>(f)</i>	256,650	–
		<u>423,436</u>	<u>129,629</u>

The above unlisted equity instruments represent the Group's equity interest in several private entities established in the PRC. The directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they are held for long-term strategic purposes. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

Notes:

- (a) Taihe is a private entity established in the PRC. Taihe was principally engaged in asset management and bulk transfer of non-performing assets of financial enterprises in Shandong Province, the PRC. The Group and other partners jointly established Taihe and the registered capital of Taihe was RMB10,000,000,000, of which the register capital contributed by the Group was RMB600,000,000, representing 6% of the total registered capital of Taihe. As of 31 December 2025, the total capital contribution of RMB120,000,000 has been paid by the Group (31 December 2024: RMB120,000,000).

As at 31 December 2025, the directors of the Company considered, and as assessed by the independent professional valuer engaged by the Group, the fair value of the Group's investment of Taihe was approximately RMB87,063,000 (31 December 2024: RMB74,443,000) and a fair value gain of approximately RMB13,620,000 (2024: a gain of RMB28,996,000) which had been recognised during the year ended 31 December 2025.

- (b) Hainan Guji is a limited partnership established in the PRC, which is focusing in the investments in industrial silicon companies.

The Group made capital contribution of RMB278,500,000 to Hainan Guji, representing 89.73% of equity interest of Hainan Guji. As the Hainan Guji was managed and controlled by a general partner which was not a company controlled by the Company, in the opinion of the directors of the Company, the Company was not in a position to exercise control over this company. The directors of the Company have elected to designate this investment as equity instruments at FVTOCI as they are held for long-term strategic purposes.

During the year ended 31 December 2023, the Group received refund from Hainan Guji of RMB39,203,000, accordingly, the Group's investment in Hainan Guji reduced to RMB897,000. As at 31 December 2025, the directors of the Company considered, and as assessed by the independent professional valuer engaged by the Group, the fair value of the investment in Hainan Guji was RMB1,281,000 (2024: RMB3,218,000) with the loss in fair value of RMB1,937,000 (2024: a gain of RMB260,000) had been recognised for the year ended 31 December 2025.

- (c) Zibo Runxin is a limited partnership fund established in the PRC, which is expected to primarily invest in fluoro-chemical, organic silicon, membrane materials and hydrogen-related industries.

On 12 January 2021, Dongyue Fluorosilicone Science and Technology Group Co., Ltd. (“Dongyue Fluorosilicone Technology”) and Shandong Dongyue Organosilicon Co., Ltd. (“Dongyue Organosilicon”), both subsidiaries of the Company, entered into a partnership agreement with independent third parties in relation to the establishment of the fund. Pursuant to the partnership agreement, the initial capital contribution to the fund was aggregately RMB500,000,000, out of which RMB125,000,000 and RMB75,000,000 were contributed to the fund by Dongyue Fluorosilicone Technology, Dongyue Organosilicon, respectively, as limited partners. The capital contribution to the fund will be made in stages in accordance with the partnership agreement.

As of 31 December 2021, the Group made a total capital contribution of RMB60,000,000 to Zibo Runxin, representing 33.66% of equity interest of Zibo Runxin. As the Zibo Runxin was managed and controlled by a general partner which was not a company controlled by the Company, in the opinion of the directors of the Company, the Company was not in a position to exercise control over this company. The directors of the Company have elected to designate this investment in equity instruments at FVTOCI as they are held for long-term strategic purposes.

During the year ended 31 December 2022, the Group made a further capital contribution of RMB6,500,000 to Zibo RunXin, and as of 31 December 2022, the total capital contribution made by the Group was RMB66,500,000, with a shareholding ratio of 36.44%.

During the year ended 31 December 2023, the Group made a further capital contribution of RMB15,648,000 to Zibo RunXin, and as of 31 December 2024, the total capital contribution made by the Group was RMB82,148,000, with a shareholding ratio of 44.65%.

As of 31 December 2025, the directors of the Company considered, and as assessed by the independent professional valuer engaged by the Group, the fair value of the Group’s investment in Zibo Runxin was approximately RMB73,000,000 (2024: RMB47,779,000), and a fair value gain of approximately RMB25,221,000 which had been recognised for the year ended 31 December 2025 (2024: a loss of RMB7,990,000).

- (d) Leshan City Commercial Bank Co. was established in Leshan of Sichuan Province of the PRC. It was invested by one of the subsidiaries of Zibo Xiaoshuo in 2006. The fair value of aforesaid investment was assessed by an independent professional valuer engaged by the Group, the fair value gain of RMB263,000 had been recognised in 2025 (2024: nil).
- (e) Leshan Rural Commercial Bank Co. was established in Leshan of Sichuan Province of the PRC. It was invested by one of the subsidiaries of the Zibo Xiaoshuo in 2014. The fair value of aforesaid investment was assessed by an independent professional valuer engaged by the Group, the fair value loss of RMB10,000 had been recognised in 2025 (2024: nil).
- (f) Hunan Hualian Porcelain Industry Co.,Ltd was established in Liling of Hunan Province of the PRC and listed in Shenzhen Stock Exchange since October 2021. As stated in note 11 (ii), the aforesaid investment was acquired via legal proceeding in 2025, a fair value gain of RMB69,900,000 had been recognised in 2025 (2024: nil).

11. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables (<i>note (i)</i>)	2,455,142	1,962,821
Less: allowance for credit losses	<u>(34,007)</u>	<u>(12,876)</u>
	2,421,135	1,949,945
Prepayments for raw materials	24,035	28,920
Tax recoverable	276,147	165,093
Outstanding amount of deposit receivables (<i>note (ii)</i>)	45,509	309,888
Loans (<i>note (iii)</i>)	–	45,100
Deposits and other receivables	<u>237,198</u>	<u>278,417</u>
	<u>3,004,024</u>	<u>2,777,363</u>

Notes:

- (i) Included in the trade receivables are bills receivables amounting to RMB1,881,632,000 at 31 December 2025 (2024: RMB1,579,632,000).
- (ii) An indirect subsidiary of the Company, Dongyue Polymers, placed deposits amounted to RMB309,888,000 to the account of Macro-link Holding Group Finance Company Limited under the Amended Financial Services Master Agreement as disclosed in the announcement dated on 12 May 2022. Such deposits were pledged by 11.91% equity interest in Hunan Hualian Porcelain Industry Co.,Ltd. (湖南華聯瓷業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 001216.SZ).

In 2024 Dongyue Polymers applied to the legal proceedings of the outstanding deposits, in April 2025 the court ruled that 5.96% of the equity interest in Hualian Porcelain pledged (or half of the total equity interest pledged of 11.91%) was transferred to Dongyue Polymers to settle partial deposits amounting to RMB186,750,000. In December 2025 Dongyue Polymers received part of the deposits amounting to RMB77,629,000. As at 31 December 2025 the market value of the remaining pledged equity interest was approximately RMB256,650,000.

- (iii) The loans were provided to Zhangjiajie Xinye Real Estate Development Co., Ltd (an associate of the Group), which with a 4%-interest-rate per annum and repayable within one year. Such loans were repaid during the year ended 31 December 2025.

Customers are generally granted with credit period ranged between 30-90 days for trade receivables. Bills receivables are generally due in 90 days or 180 days. The following is an aging analysis of trade and bills receivables, net of allowance for credit losses presented based on the invoice date.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	1,678,833	769,139
91–180 days	763,275	1,062,942
181–365 days	6,063	117,864
More than 1 year	6,971	12,876
	<u>2,455,142</u>	<u>1,962,821</u>

Before accepting any new customer, the Group conducts research on the creditworthiness of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. 98% (2024: 92%) of the trade and bills receivables that are neither past due nor impaired have the high-ranking record attributable under the research on the creditworthiness. The Group offers various settlement terms which vary depending on the size of contract credibility and reputation of the customers.

12. TRADE AND OTHER PAYABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	1,999,141	1,988,169
Contract liabilities — sale of chemical products	125,757	137,585
Contract liabilities — sale of properties	–	17,334
Payroll payables	265,428	216,294
Payable for property, plant and equipment (<i>note (i)</i>)	245,321	292,045
Other tax payables	65,452	48,720
Construction cost payables for properties under development for sale	2,888	4,729
Other payables and accruals	94,443	117,792
	<u>2,798,430</u>	<u>2,822,668</u>

Notes:

- (i) The payable for acquisition of property, plant and equipment will be settled three months after the completion of installation of the plant and machinery which is recorded in the addition of construction in progress during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the domestic economy continued to show steady progress, with macroeconomic policies providing strong support to guide industrial upgrading. However, deep structural contradictions between market supply and demand had not yet been fully resolved. Concurrently, global geopolitical fluctuations, volatility in commodity prices, and increasingly stringent environmental regulations added further uncertainty to the industry's outlook. Amidst this complex environment, the fluorosilicon chemical industry encountered both rare market opportunities and challenges, making 2025 a pivotal year for accelerating differentiation and advancing toward high-quality development. Facing this critical juncture, the Group steadfastly adhered to the lifeline of safety and environmental protection, unwaveringly focused on its core business, and leveraged innovation as a core driver, making steady advances in key technology breakthrough, upstream-downstream industrial integration, green and low-carbon transformation, and market expansion. Consequently, the Group reaped substantial operational results.

RESULTS REVIEW

I. Significant growth in operational performance

The year 2025 was pivotal for the green development of the fluorosilicon chemical industry. As the market evolved, the structure of various product segments within the industry became increasingly clear. Within the Group's refrigerants segment, key products such as R22 and R32 experienced further significant price surge due to the impact of quota restrictions. In response, the Group closely monitored industry trends, aligned with policy directions, optimized market allocation, maintained active communication with various market participants, and made early strategic deployments in anticipation of market fluctuations. These efforts led to outstanding operational performance and laid a solid foundation for future industrial deployment. During the year, the Group achieved a gross profit margin of 30.81% and recorded a profit attributable to owners of the Company of RMB1,642 million, representing a year-on-year increase of 102.49%, adding another remarkable achievement to the Group's development history.

II. Further improvement in production efficiency

During the period under review, prices of certain products of the Group increased significantly, making it more crucial to ensure stable and efficient operation of the Group's production system under such circumstances. During the year, the Group continued to strengthen various management and control measures around production and operations, further consolidating its management foundation and steadily improved production efficiency. Compared with previous years, the Group achieved reduction to varying degrees in average raw material consumption, comprehensive energy consumption per unit product, hazardous waste generation, while the recycling rate of water resources continued to rise. Leveraging on the efficient and stable production operations, the Group has maintained competitive operating costs within the industry, providing strong support for its excellent operating results.

III. Outstanding achievements in innovation and R&D

The Group attaches great importance to independent research and development (R&D) all along, which has helped the Group maintain long-term competitiveness in the market. During the period under review, the Group's R&D expenses amounted to approximately RMB784 million, representing a year-on-year increase of 10.93%, with a further rise in the proportion of high-end new products. During the year, the Group also focused on improving production efficiency and achieving energy saving and consumption reduction targets, and through a series of innovative initiatives such as technological transformation, equipment upgrades, and price optimisation, it completed more than 80 transformation projects, further reducing costs and increasing efficiency. As at the end of 2025, the Group's R&D team had grown to more than 370 members, with more than 50% holding doctoral or master's degrees. During the year, the Group was granted 60 patents, bringing the total number of patents to 874 by year-end, including 751 invention patents and 123 utility model patents. In addition, during the period under review, the Group formulated 7 standards, including 5 national standards and 2 industrial standards, which have further propelled industry development.

IV. Strengthening management and control to promote cost reduction and expense control

During the year, the Group strengthened the standardisation of process management and control, achieving significant cost reductions and expense management across the entire production and operation chain. The Group has established an expense management system comprising “budget control, process supervision and monthly assessment”, enabling refined management of various expenses. During the year, through the implementation of the above measures, costs in areas including maintenance, transportation, solid waste disposal, and capital construction were all reduced to varying degrees. Under the current operating environment, the Group’s effective control of costs and expenses has further enhanced its competitiveness in the market.

V. Orderly progress of the energy centre project

The Group’s new energy centre project at its headquarters began construction during the period under review. It is currently progressing in an orderly manner in accordance with the planned schedule, with completion and commissioning expected in 2026. Compared with the Group’s existing power plant, this project utilises more advanced combined heat and power facilities and technologies, delivering superior energy saving and environmental benefits at a correspondingly lower cost. At present, the Group has begun planning the gradual shutdown of its existing power plant, and the financial impact of the associated assets has been reflected in the consolidated financial statements of the Group for the year ended 31 December 2025.

VI. Optimising asset and capital management to enhance operational efficiency

During the year, the Group revitalised idle assets and leveraged synergies across its industrial chain by reactivating previously dormant projects. At the same time, projects with ageing facilities and those that had recorded losses for consecutive years were suspended or halted, thereby restructuring the Group’s overall asset base and improving operational efficiency. In terms of capital, the Group’s new energy centre project secured long-term bank project financing at relatively low interest rates. In addition, by prudently allocating funds into safe wealth management instruments such as structured deposits, the Group achieved stable value appreciation of idle funds, thereby enhancing the efficiency of its capital utilisation.

PROSPECT

While the Group achieved substantial growth in performance during the year, significant uncertainties remain in the fluorosilicone chemical industry going forward, and the overall supply and demand structure of the market still requires further adjustment. As such, the Group continues to approach the opportunities and challenges ahead with a prudent and measured attitude. As a result, we have developed the following business strategies for the future:

I. Strengthening scientific research support to empower industrial chain upgrading

The Group has always placed great importance on independent innovation and development, treating scientific and technological R&D as the cornerstone of its growth. Looking ahead, the Group will focus its R&D efforts on meeting the ever-increasing demand for fluorosilicone chemical products across various sectors of society, especially on achieving R&D breakthroughs in applications in key sectors such as AI, new energy, high-end equipment manufacturing and robotics, while accelerating the transformation of industrial scientific research achievements. Concurrently, through technological innovation, the Group will strive to enhance process capabilities, achieving improvement in quality, efficiency, and circular energy conservation. The Group's scientific research team will uphold the spirit of "acquire knowledge through investigation, and pursue excellence through dedicated practice", dedicating themselves to overcoming challenges, emphasising practical application, and generating new growth drivers for the Group's development.

II. Upholding the bottom line of safety and environmental protection to escort stable operation of the industrial chain

Under the current operating environment of the fluorosilicone chemical industry, ensuring stable production operations is a critical guarantee of strong business performance. Going forward, the Group will further strengthen the enforcement of safety measures and accountability mechanisms, continuously optimize green environmental protection controls, and enhance process standards. The Group will strictly comply with the latest safety and environmental laws and regulations, while integrating the concept of sustainable development into its long-term strategic planning.

III. Raising standards across all indicators to comprehensively enhance management level

To elevate its management standards, the Group will set more rigorous indicator requirements for its subsidiaries and functional departments in 2026, thereby raising the management benchmarks across all operational areas. In terms of compliance, the Group will not only meet the regulatory requirements of all relevant authorities and uphold the baseline of compliance, but also standardise compliance processes to establish a comprehensive compliance framework. In terms of the resource utilization of byproducts, each subsidiary will be required not only to strictly meet the established indicators, but also to further improve the level of comprehensive utilization. In addition, requirements will be further raised across profitability targets, production indicators, safety and environmental protection, innovation, project construction, and internal controls, thereby enhancing overall competitiveness.

IV. Upgrade marketing models to further expand the market

In recent years, the supply and demand dynamics of the fluorosilicon chemical industry has been changing. Therefore, the Group must upgrade its marketing models accordingly to seize the opportunities arising from these market shifts. For the existing customer base, the Group will rebuild the brand-customer relationship, shifting from a transactional supply-demand relationship focused on orders to a partnership model centered on delivering long-term value. For rapidly emerging industries, the Group will focus on developing major customers and building a value community with strategic synergies. For the growing international market, the Group will closely monitor the global industrial footprints of large international corporations, promote the Company's global collaborative follow-through, establish overseas operations, and achieve a leap from exporting products to exporting our industrial presence.

V. Deepen full-chain cost control to solidify competitive advantages

Cost competitiveness forms the foundation of an enterprise's core strength. In the future, the Group will drive a shift in cost control from "point-specific cost reduction" to "systematic cost reduction," achieving cost optimization across the entire process, all elements, and all personnel. This will involve the systematic optimisation of procurement management, energy consumption management, product mix, equipment maintenance, environmental protection and emission reduction, and transportation control, focusing on reducing costs throughout the entire chain to maximize profitability.

VI. Accelerating the construction of the energy centre project

The energy centre project, initiated by the Group in 2025, is currently progressing steadily and is scheduled to be completed and commissioned in the first half of 2026. This project surpasses the Group's existing power plants in terms of technical level, energy saving and consumption reduction, and environmental protection performance. Upon completion, it will effectively enhance cost control capabilities and better fulfill social responsibilities. Accordingly, in 2026, the Group will make every effort to accelerate the construction progress of the project, and bring it into operation and full productivity at the earliest opportunity.

In 2025, we seized the opportunities presented by the market and achieved fruitful results. Looking ahead to 2026, the outlook of the fluorosilicon chemical industry remains uncertain, marking a critical stage in the industry's development. Facing the upcoming opportunities and challenges, we will uphold our operating philosophy of "achieving progress while ensuring stability," maintain our focus on the development of the fluorosilicon industrial chain, leverage our competitive advantages within the industry, and strive to create substantial value to reward our investors for their long-term trust and support.

FINANCIAL REVIEW

Results Highlights

For the year ended 31 December 2025, the Group recorded revenue of approximately RMB14,355,381,000, increased by 1.23% over RMB14,181,087,000 in the previous year. Gross profit margin increased to 30.81% (2024: 21.62%) and the operating margin came in at 17.90% (2024: 10.01%). The Group recorded profit before tax of approximately RMB2,576,834,000 (2024: RMB1,423,046,000), and net profit of approximately RMB2,183,593,000 (2024: RMB987,497,000), while consolidated profit attributable to the Company's owners was approximately RMB1,641,812,000 (2024: RMB810,804,000). Basic earnings per share were RMB0.98 (2024: RMB0.46).

The Board has proposed the payment of a final dividend of HK\$0.30 (2025: HK\$0.10) per share to the shareholders whose names appear on the register of members of the Company on 15 June 2026.

Segment Revenue and Operating Results

The following sets out a comparison of the Group's revenue and results classified by reportable and operating segments for the year ended 31 December 2025 and 2024:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Revenue <i>RMB'000</i>	Results <i>RMB'000</i>	Operating Margin	Revenue <i>RMB'000</i>	Results <i>RMB'000</i>	Operating Margin
Refrigerants	4,940,752	2,287,697	46.30%	3,247,702	806,356	24.83%
Fluoropolymers	3,930,086	356,642	9.07%	3,824,967	508,088	13.28%
Organic Silicon	3,824,405	(51,711)	(1.35)%	5,212,703	101,668	1.95%
Dichloromethane and Liquid Alkali	1,223,300	358,053	29.27%	1,104,337	372,161	33.70%
Others	436,838	(380,613)	(87.13)%	791,378	(368,749)	(46.60)%
Consolidated	<u>14,355,381</u>	<u>2,570,068</u>	<u>17.90%</u>	<u>14,181,087</u>	<u>1,419,524</u>	<u>10.01%</u>

Analysis of Operating Results

During the period under review, market conditions of each segment of the Group varied with different product price movements accordingly, resulting in significant divergence in performance across segments. Among them, the refrigerants segment was the best performing segment of the Group, while the fluoropolymers and the dichloromethane and liquid alkali segments recorded decline in results, and the organic silicon segment recorded a loss.

Refrigerants

During the period under review, the refrigerants segment's external sales increased by 52.13% from RMB3,247,702,000 in the previous year to RMB4,940,752,000, accounting for 34.42% (2024: 22.90%) of the Group's total external sales. The segment recorded a profit of RMB2,287,697,000, increased by 183.71% compared with RMB806,356,000 in the same period of the previous year.

During the period under review, the quota policy continued to impact the refrigerants segment and prices for certain products (such as R32, R134a, etc.) increased further as compared to 2024, resulting in a growth for the segment's external sales revenue. In addition, as cost increases were comparatively modest, the segment results reported a remarkable year-on-year growth.

The Group has the largest production capacity of R22 in the world. Being the Group's backbone refrigerant products, R22 is an important refrigerant among all kinds. Besides, R22 has been one of the key raw materials for the production of the fluoropolymers (i.e. PTFE, HFP and other downstream fluorinated chemicals) and R125. R125 and R32 are the key refrigerant mixture for other types of green refrigerants (such as R410a) to replace R22. Currently, R410a has been the principal replacing refrigerant which has been widely applied in inverter air conditioners and other green home appliances. R134a is broadly used in the coolant and air-conditioning systems in automobiles, while R152a is another key refrigerant product of the Group which can also be used as blowing agents, aerosols and cleaning agents. Apart from the fact that R142b can be used as refrigerant, temperature controller medium, and intermediates of aviation propellant, it can also be one of the main raw materials for the production of VDF.

Fluoropolymers

During the period under review, the external sales of fluoropolymers segment were approximately RMB3,930,086,000, increased by 2.75% compared with the same period of the previous year (2024: RMB3,824,967,000), accounting for 27.38% (2024: 26.97%) of the Group's total external sales. The segment results recorded a profit of RMB356,642,000, decreased by 29.81% compared with RMB508,088,000 in the same period of the previous year.

During the period under review, market competition in this segment's main products continued at the same intense level as the previous year. The average selling prices did not see significant improvement. The increase in the segment's R&D expenses and impairment on goodwill resulted in the decrease in the segment's performance.

The Group relies on the internal supply of R22 for the production of TFE (a fluorocarbon), which is used by the Group for the production of polymers products such as PTFE (a synthetic fluoropolymer with high level of resistance to temperature changes, electrical insulation, aging and chemical resistant that is used as a coating material and can also be further processed into high-end fine chemicals, which can be widely applied in chemicals, construction, electrical and electronics and automotive industries) and HFP (an important organic fluorochemical monomer, which can be used to produce various fine chemicals). Furthermore, the refrigerants segment of the Group supplied R22 and R142b as the raw materials for the production of a variety of downstream fluoropolymer fine chemicals including FEP (modified materials of PTFE, produced with HFP added in TFE, mainly used in the lining for wire insulation layer, thin-walled tube, heat shrinkable tubes, pumps, valves and pipes), FKM (fluorine rubber, a specialized fluorinated material, which is mainly used in the fields of aerospace, automotive, machinery and petro-chemistry due to its superior mechanical property, excellent oil, chemical and heat resistance), PVDF (fluorocarbon made through aggregation of VDF produced with R142b, mainly used as a fluorine coating resin, fluorinated powder coating resin and lithium battery electrode binding material) and VDF.

Organic Silicon

During the year, external sales of the organic silicon segment decreased by 26.63% to RMB3,824,405,000 from RMB5,212,703,000 in the previous year, accounting for 26.64% (2024: 36.76%) of the Group's total external sales. The segment recorded a loss of RMB51,711,000 (2024: a profit of RMB101,668,000).

During the period under review, impacted by the market environment, the average selling prices of the main products of the organic silicon segment further decreased, resulting in a decline of sales revenue and gross profit margin compared to the same period of last year. In addition, a production accident of Dongyue Organosilicon, a subsidiary of the Company, occurred during the period under review, resulting in the temporary shutdown of certain facilities. Although the relevant facilities resumed production during the period, the stoppage losses incurred during the downtime had an adverse impact on its performance.

This segment mainly included the production and sales of DMC (upstream organic silicon intermediates that are used as raw materials to produce deep processed mid-stream and downstream silicon products, such as silicon oils, silicon rubber and silicon resins), 107 Silicon Rubber, Raw Vulcanizate and Gross Rubber (collectively referred to as "Silicon Rubbers", deep-processed organic silicon rubber products, where Raw Vulcanizate is a key material for producing Gross Rubber), and other by-products and other high-end downstream products, such as Gaseous Silica and Silicon Oils. Named as "Industrial MSG", organic silicon is widely applied in aviation, automotive, electronic, construction and other industries, mainly in the form of additives, treatment chemicals stabilisers, lubricants and sealants and is a key ingredient in industrial processes. The Group initially produces silicon monomers with silicon powder and self-supplied chloromethane and further processes them to become silicon intermediates (mainly DMC), with certain portion of which the Group produces for Silicon Rubbers and other organic silicon products. The Group can also produce and generate other by-products and high-end downstream products, such as Gaseous Silica and Silicon Oils through its production processes.

Dichloromethane and Liquid Alkali

During the year under review, this segment's external sales increased by 10.77% to RMB1,223,300,000 from RMB1,104,337,000 in the previous year, accounting for 8.52% (2024: 7.79%) of the Group's total external sales. The segment results recorded a profit of RMB358,053,000 (2024: profit of RMB372,161,000), representing a year-on-year decrease of 3.79%. The products of this segment consist of chemical commodities, which are greatly affected by the changes in operating environment. During the period under review, although sales volume of products in this segment increased to a certain extent, costs also experienced significant fluctuations, leading to growth on external sales revenue, but a decline in the segment's results.

This segment included revenue from the production and sales of two major auxiliary products (dichloromethane and liquid alkali) of Refrigerants Segment of the Group. Liquid alkali is a basic chemical product from the production of methane chloride (essential chemical for the production of refrigerants and organic silicon products), and used in the textile, power and materials industries. Methane chloride includes dichloromethane, which is mainly used to produce antibiotics and as a foaming mode for polyurethane.

Others

During the period under review, the external sales of the segment were RMB436,838,000, while the segment result was a loss of RMB380,613,000, representing an increase in loss of 3.22% as compared with a loss of RMB368,749,000 in the previous year.

This segment included revenue generated from the production and sales of other by-products from the Group's various operating segments, such as ammonium bifluoride, hydrofluoric acid, bromine, as well as the thermal power business. During the period under review, the Group's newly constructed energy centre project progressed steadily, while the existing power plant was being gradually phased out as planned. Consequently, an impairment provision was required in respect of the existing power plant, resulting in a significant loss for this business segment.

Distribution and Selling Expenses

During the year under review, the distribution and selling expenses decreased by 4.92% to RMB415,657,000 from RMB437,188,000 of the previous year. The decrease in distribution and selling expenses was driven by the reduction in transportation costs of the Group during the period under review.

Administrative Expenses

During the year under review, the administrative expenses increased by 30.05% to RMB955,685,000 from RMB734,857,000 of the previous year. The increase in administrative expenses was due to the impairment on certain assets, such as existing power plants, and the increase in employee remuneration.

Finance Costs

During the year under review, the finance costs increased by 3.24% to RMB1,401,000 from RMB1,357,000 of the previous year.

Capital Expenditure

For the year ended 31 December 2025, the Group's aggregate capital expenditure was approximately RMB1,665,346,000 (2024: RMB1,800,565,000). The Group's capital expenditures are mainly allocated for the construction of new projects, the renovation of the existing production lines and construction of the ancillary facilities.

Liquidity and Financial Resources

The Group's financial position remains steady with healthy working capital management and strong operating cash flow. As at 31 December 2025, the Group's total equity amounted to RMB20,164,632,000, increased by 15.41% as compared with that as at 31 December 2024 (2024: RMB17,471,837,000). As at 31 December 2025, the Group's bank balances and cash came in at RMB5,005,398,000 (2024: RMB2,470,496,000). The increase in the Group's bank balances and cash was primarily attributable to business growth. During the year under review, the Group generated a total of RMB3,706,493,000 (2024: RMB2,071,697,000) net cash inflow from its operating activities. The current ratio⁽¹⁾ of the Group as at 31 December 2025 was 3.27 (31 December 2024: 2.31).

Taking the above figures into account, together with the available bank balances and cash, the unutilised bank credit facilities, ongoing bank support and sufficient operating cash flows, the management is confident that the Group has sufficient resources to settle any debts and to finance its daily operating and capital expenditures.

Capital Structure

During the year of 2025, Hong Kong Tai Li International Trading Co., Ltd, a wholly-owned subsidiary of the Company, as the trustee, sold on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") a total of 54,441,000 shares of the Company (held for the purpose of the employee option scheme of the Company, which was terminated on 27 September 2024), at a total consideration of approximately HK\$573 million.

Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025. The number of issued shares of the Company was 1,732,711,637 as at 31 December 2025.

As at 31 December 2025, the Group had borrowing of RMB1,800,000 (2024: no borrowing balance). The gearing ratio⁽²⁾ of the Group was -24.81% (2024: -14.14%). The negative gearing ratio as at 31 December 2025 represented the Group's "net cash" positive position (i.e. the Group has more cash and equivalents than its debt), which is generally viewed as a positive signal.

Notes:

(1) Current Ratio = Current Assets ÷ Current Liabilities

(2) Gearing Ratio = Net Debt ÷ Total Equity

Net Debt = Total Borrowings — Bank Balances and Cash

Group Structure

During the period under review, the Group recorded no material changes in the Group's structure.

Charge on Assets

As at 31 December 2025, the Group had bank deposits of RMB14,744,000 (2024: RMB88,274,000) pledged as security deposits for bills payable. According to the requirements of the PRC property industry, the property companies are required to place regulated security deposit in their escrow accounts which cannot be used until the completion of both the construction and the residential mortgage loan applications for purchasers have been processed. As at 31 December 2024, the relevant bank deposits for regulated security deposit from presale of properties were RMB471,000, and there was no regulated security deposit from presale of properties in 2025.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's functional currency is RMB, and most transactions are settled in RMB. However, the Group receives income from overseas customers and makes payments to overseas suppliers for machinery and equipment in foreign currencies (primarily US dollars).

To reduce the holding risk of foreign currencies, the Group normally converts the foreign currencies into RMB shortly after funds are received, having first taken into account its near-term foreign currency payment obligations.

Employees and Remuneration Policy

The Group employed a total of 6,377 staff, including 5,530 males and 847 females as at 31 December 2025 (2024: 6,922). The Group's remuneration and bonus policies are determined based on the performance of both the Group and its employees. In addition, the Group provides benefits such as social insurance and pension schemes to ensure that its overall remuneration remains competitive in the market.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Company did not have any significant investment, material acquisition and disposals of subsidiaries, associates and joint ventures during 2025.

OTHER INFORMATION

Final Dividend

The Directors recommend the payment of a final dividend of HK\$0.30 (the “Final Dividend”) (2024: HK\$0.10) per share in respect of the year ended 31 December 2025, to the shareholders whose names appear on the register of members of the Company (the “Register”) on 15 June 2026, subject to the approval of the members of the Company at the Company’s forthcoming annual general meeting (the “AGM”). The Final Dividend will be paid net of applicable PRC income tax.

The AGM will be held on 4 June 2026. A notice of the AGM will be published and despatched to the shareholders of the Company in due course.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the year ended 31 December 2025 and all Directors confirmed that they have fully complied with the relevant requirements set out in the Model Code during the year.

Corporate Governance Code

Throughout 2025, the Company has consistently adopted and complied with all the applicable code provisions of the section headed “Part 2 — Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “CG Code”), as guidelines to reinforce its corporate governance principles, save for the deviation below:

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhang Jianhong is both the Chairman and the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same position provides the Group with stronger and more consistent leadership and allows for more effective planning. Further, the Board

considers that this structure will not impair the balance of power, which has been closely monitored by the Board, which comprises experienced and high caliber individuals. The Board has full confidence in Mr. Zhang and believes that the current arrangement is beneficial to the business prospect of the Group.

Purchase, sale or redemption of the Company's listed securities

During the year of 2025, Hong Kong Tai Li International Trading Co., Ltd, a wholly-owned subsidiary of the Company, as the trustee, sold on the Stock Exchange a total of 54,441,000 shares of the Company (held for the purpose of the employee option scheme of the Company, which was terminated on 27 September 2024), at a total consideration of approximately HK\$573 million. As at 31 December 2025, 22,266,000 shares are still held by the trustee under the terminated employee option scheme.

Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

Scope of work of Zhonghui Anda CPA Limited

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 as set out in this preliminary announcement have been agreed by the Group's auditor, Zhonghui Anda CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Zhonghui Anda 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 Zhonghui Anda CPA Limited on this preliminary announcement.

Audit committee

The audit committee of the Company (the "Audit Committee") currently comprises Mr. Ting Leung Huel, Stephen (Chairman), Mr. Yang Xiaoyong and Mr. Ma Zhizhong, all being independent non-executive Directors.

The Audit Committee met with the management on 23 March 2026 to review the accounting standards and practices adopted by the Group and to discuss matters regarding internal control and financial reporting. The Audit Committee also reviewed the Group's annual results for the year ended 31 December 2025 before submitting them to the Board for approval.

Remuneration committee

The Company has established the remuneration committee (the “Remuneration Committee”) to consider the remuneration for Directors and senior management of the Company. The Remuneration Committee comprises Mr. Yang Xiaoyong (Chairman) and Mr. Ting Leung Huel, Stephen who are independent non-executive Directors and Mr. Zhang Jianhong who is an executive Director.

Nomination committee

The Company established the nomination committee (the “Nomination Committee”) with written terms of reference to be responsible for the appointment of new Director(s) of the Company and other related matters. The Nomination Committee comprises Mr. Zhang Jianhong (Chairman) and Ms. Chung Tak Lai (appointed on 31 December 2025) who are executive Directors, and Mr. Yang Xiaoyong, Mr. Ting Leung Huel, Stephen and Mr. Ma Zhizhong (appointed on 31 December 2025) who are independent non-executive Directors.

Corporate Governance Committee

The Company established the corporate governance committee (the “Corporate Governance Committee”) with written terms of reference to review the Company’s policies and practices on corporate governance, the Company’s compliance with the code provisions of the CG Code, the relevant disclosure in the announcement on corporate governance and other related matters. The Corporate Governance Committee comprises Mr. Zhang Jianhong (Chairman), Mr. Wang Weidong and Mr. Zhang Zhefeng, all being executive Directors.

Risk Management Committee

The Company established the risk management committee (the “Risk Management Committee”) with written terms of reference to review and advise the risk management and internal control of the Company and other related matters. The Risk Management Committee comprises Mr. Ting Leung Huel, Stephen (Chairman), Mr. Yang Xiaoyong and Mr. Ma Zhizhong, all being independent non-executive Directors.

Events after the Reporting Period

The Group did not have any significant events after the end of the reporting period (that is, 31 December 2025) and up to the date of this announcement.

Announcement of Annual Results and Publication of Annual Report

This annual results announcement is published on the Company's website at www.dongyuechem.com and the website of the Stock Exchange at www.hkexnews.hk. The Company's annual report for the year ended 31 December 2025 will also be available at the websites of the Company and the Stock Exchange and will be dispatched to shareholders of the Company in April 2026.

Closure of Register of Members

The Board announces that the Register will be closed from 1 June to 4 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all share transfers, accompanied by the relevant share certificates, must be lodged with the branch share registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, not later than 4:30 p.m. on 29 May 2026.

The Board further announces that the Register will be closed from 11 June to 15 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the Final Dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the branch share registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, not later than 4:30 p.m. on 10 June 2026.

The expected date for payment of the Final Dividend is 14 July 2026.

By Order of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

The PRC, 25 March 2026

As at the date of this announcement, the directors of the Company are Mr. Zhang Jianhong, Mr. Wang Weidong, Mr. Zhang Zhefeng and Ms. Chung Tak Lai as executive directors, and Mr. Ting Leung Huel, Stephen, Mr. Yang Xiaoyong and Mr. Ma Zhizhong as independent non-executive directors.